Supreme Court, U.S.
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No. _____

In The

Supreme Court of the United States

J.E.M. AG SUPPLY, INC.
(doing business as Farm Advantage, Inc.)
FARM ADVANTAGE, INC., LARRY BENZ,
MERLE PRUETT (doing business as
Siouxland Seeds, Inc.),
KEVIN WOLFSWINKEL, TIM KAMSTRA,
and TOM EISCHEN SEED & CHEMICALS,

Petitioners,

v.

PIONEER HI-BRED INTERNATIONAL, INC.,

Respondent.

**On Petition For Writ Of Certiorari
To The United States Court Of Appeals
For The Federal Circuit**

PETITION FOR WRIT OF CERTIORARI

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QUESTION PRESENTED

Are patents issued under 35 U.S.C. § 101 granting the right to exclude others from sexually reproducing plants or plant varieties, or from selling or using plants or plant varieties reproduced by means of sexual reproduction (by seed), invalid because the Plant Variety Protection Act of 1970, 7 U.S.C. § 2321, et seq., and the Plant Patent Act of 1930, 35 U.S.C. § 161-164, are the exclusive means of obtaining a federal statutory right to exclude others from reproducing, selling, or using plants or plant varieties?

PARTIES TO THE PROCEEDING

Petitioners are J.E.M. Ag Supply, Inc. (doing business as Farm Advantage, Inc.) Farm Advantage, Inc., Larry Benz, Merle Pruett (doing business as Siouxland Seeds, Inc.), Kevin Wolfswinkel, Tim Kamstra, and Tom Eischen Seed & Chemicals.

(Parent corporations or publicly held companies owning 10% or more of any Petitioner's corporate stock: none.)

Respondent is Pioneer Hi-Bred International Inc.

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PETITION FOR WRIT OF CERTIORARI

Petitioners petition for a writ of certiorari to review the judgment of the Federal Circuit Court of Appeals in this case.

OPINIONS BELOW

The Federal Circuit opinion (App. 1-9) is reported at *Pioneer Hybrid Internat., Inc. v. J.E.M. Ag Supply, Inc.*, 200 F.3d 1374 (Fed. Cir. 2000). The circuit's decision granting interlocutory appeal (App. 10-12) is unreported. The district court's opinion (App. 13-39) is unreported. The circuit's opinion denying the petitioners' petition for rehearing en banc (App. 40-41) is unreported.

STATEMENT OF JURISDICTION

The judgment of the Federal Circuit Court of Appeals was entered on January 19, 2000. The Court of Appeals entered an order on March 13, 2000, denying a timely petition for rehearing, which had first been referred as a petition for rehearing to the panel that heard the appeal, and thereafter was referred along with the response to the circuit judges who were in regular active service. The jurisdiction of this Court is invoked under 28 U.S.C. § 1254(1).

STATUTORY PROVISIONS INVOLVED

1. Revised States, §§ 4884, 4886 (the precursor of 35 U.S.C. § 101) and 4888, as amended by the 1930 Plant Patent Act (App. 42).
2. 35 U.S.C. § 101, defining the subject matter of "Inventions patentable" (App. 43).
3. 35 U.S.C. § 161, defining the subject matter of "Patents for plants" issued under Title 35 (App. 44).
4. 35 U.S.C. § 163, limiting a plant patent grant to the right to exclude others from asexually reproducing the plant or selling or using the plant so reproduced (App. 44).

5. The Plant Variety Protection Act of 1970, 7 U.S.C. §§ 2321, 2323, 2401(a)(3), 2402 (defining the right of a plant breeder to obtain a PVP certificate on a plant variety that has been sexually reproduced – that is, by seed) (App. 45), 2541 (sexual reproduction of a plant variety, or selling or using plants so reproduced, constitutes infringement) (App. 46), 2543 (infringement exception for a farmer saving seed) (App. 48), 2544 (infringement exception for plant breeding research (App. 43), and 2567.

6. Plant Patent Amendments Act of 1998 P.L. 105-289 (HR 1197), October 27, 1998 (App. 49), amending 35 U.S.C. § 163 to make it more consistent with protections offered to breeders of sexually reproduced plants under the Plant Variety Protection Act Amendments of 1994.

STATEMENT OF THE CASE

A. Basis of Jurisdiction in the Court of First Instance and the Circuit Court of Appeals

The respondent Pioneer Hi-Bred International, Inc., initiated this action through a claim for patent infringement under 35 U.S.C. § 271. District court jurisdiction was averred under 28 U.S.C. § 1338(a), providing in pertinent part that "[t]he district courts shall have jurisdiction of any civil action arising under any act of Congress relating to patents. . . . " Jurisdiction also rested on federal question jurisdiction under 28 U.S.C. § 1331(a), because the action arose under the patent laws of the United States. The Federal Circuit had jurisdiction of that appeal under 28 U.S.C. § 1292(b), (c)(1), as the circuit granted the Petitioners' petition for interlocutory appeal and the circuit had jurisdiction of the appeal under 28 U.S.C. § 1295.

B. Proceedings Below

The respondent Pioneer sued the petitioners (collectively "Farm Advantage" unless the context indicates otherwise) for infringement of seventeen utility patents issued on sexually reproducing corn plant varieties and their seeds. Pioneer asserted that Farm Advantage infringed on the patents by purchasing Pioneer brand hybrid corn seed for resale to farmer customers for ultimate planting in their fields.

Farm Advantage answered in general denial and raised the specific defense of patent invalidity. It soon moved for full summary judgment on this defense. It asserted that the patents-in-suit were improvidently granted by the Patent and Trademark Office because plants and plant varieties are not included within the ambit of patentable subject matter set out in 35 U.S.C. § 101. It further asserted that the Plant Variety Protection Act of 1970, 7 U.S.C. § 2321 et seq. (PVPA), is the exclusive means of obtaining a federal statutory right to exclude others from sexually reproducing (by seed) a plant variety, or from selling or using plants or seeds so reproduced. Pioneer resisted the motion, basically on the position that federal patent-type protection for sexually reproducing plant varieties is available under both Title 35 and the PVPA.

The district court overruled the motion for summary judgment by order dated August 19, 1998. (App. 13-39) The district court certified the issue for interlocutory appeal by supplemental order dated August 31, 1998. On September 9, 1998, Farm Advantage filed with the Circuit Court of Appeals its petition for interlocutory appeal, which Pioneer resisted. By order entered October 27, 1998, a three-judge panel of the Circuit Court granted the petition. (App. 10-12)

C. Facts Material to Consideration of the Questions Presented

1. The individual petitioner Farm Advantage, Inc., is a family-owned full service agricultural supply business located in Belmond, Iowa. As just one aspect of its full service, Farm Advantage purchased some bags of Pioneer hybrid corn seed to resell to some of its farmer customers. The seed was not removed from the Pioneer bags and the markings on the Pioneer bags were not altered. Pioneer has sued the Petitioners alleging their acts constitute infringement of utility patents on corn plants and seeds issued to Pioneer under Title 35 of the United States Code.

2. Patent No. 5,491,295 (the '295 patent) is one of the patents Pioneer has sued on. It was issued February 13, 1996, and the grant carries the title "Hybrid Corn Plant and Seed." The grant states at Column 7:

> This invention includes the hybrid corn seed of 3394, the hybrid corn plant produced from the hybrid corn seed, and variants, mutants, and modifications of 3394.

The grant states at Column 22:

> What is claimed is:
>
> 1. A hybrid corn plant designated as 3394 and its parts, and having ATCC accession number 97224.
>
> . . .
>
> 6. Seed produced by a hybrid corn plant designated as 3394, said hybrid corn plant having ATCC accession number 97224.

3. The hybrid corn plants that are the subject of the '295 patent are grown by seeds.

4. The grants for the other patents-in-suit that also carry the title "Hybrid Corn Plant and Seed" all contain language that is the same or to the same effect as the statements quoted above in § 2 from the grant filed for the '295 patent.

5. Patent No. 5,506,367 (the '367 patent) was issued April 9, 1996, and the grant carries the title "Inbred Corn Line PHP38." The '367 patent states at Column 6:

> Inbred corn line PHP38 is a yellow, dent corn inbred that provides an acceptable male or female parental line in crosses for producing first generation F1 corn hybrids.

The '367 patent also states at Column 6:

> Inbred corn line PHP38, being substantially homozygous, can be reproduced by planting seeds of the line, growing the resulting corn plants under self-pollinating or sib-pollinating conditions with adequate isolation, and harvesting the resulting seed, using techniques familiar to the agricultural arts.

6. The plants of the inbred corn line that are the subject of the '367 patent are grown by seeds.

7. The grants filed for the other patents-in-suit that also carry the title "inbred corn line" all contain language that is the same or to the same effect as the statements quoted above in § 5 from the grant filed for the '367 patent.

8. All of the inbred corn lines identified as subjects of the patents-in-suit also are subjects of Plant Variety Protection Certificates issued to Pioneer under the Plant Variety Protection Act of 1970, 7 U.S.C. § 2321, et seq. (Record of hearing on summary judgment motion of 04-30-98, at p. 32.)

9. Pioneer's tags affixed to its bags of hybrid seed corn contain the following statement:

> The purchase of these seeds includes a limited license under patent(s) [numbers omitted] (pending patent applications) to produce a single corn crop in the United States (or other applicable country). This license does not extend to the use of seed from such crop or the progeny thereof for propagation or seed multiplication. Furthermore, the use of such seed or the progeny thereof for propagation or seed multiplication or for production or development

of a hybrid or different variety of seed is strictly prohibited.

REASONS FOR GRANTING THE WRIT

I.

THE DECISION OF THE COURT OF APPEALS CONFLICTS WITH DECISIONS OF THE UNITED STATES SUPREME COURT.

A. Preliminary

The Panel of the Federal Circuit Court of Appeals concluded that the general language of 35 U.S.C. § 101 provided authority for the Patent and Trademark Office (PTO) to issue utility patents granting to the holder the right to exclude others from sexually reproducing plants or plant varieties, and from selling or using plants or plant varieties that have been sexually reproduced. This judgment defeats the intent of Congress evidenced by its enactment of two plant specific statutes: the 1930 Plant Patent Act ("PPA"), 35 U.S.C. §§ 161-164, and the Plant Variety Protection Act of 1970 ("PVPA"), 7 U.S.C. § 2321, et seq. The § 101 patents purport to grant holders rights of exclusion that Congress deliberately chose not to grant when it debated and enacted the two plant specific statutes. For example, the Federal Circuit Panel's judgment makes this conduct patent infringement: (1) a farmer's act of saving patented seed to plant on his own farm in a subsequent growing season, and (2) a plant breeding researcher's act of using a patented plant in bona fide research for the purpose of developing a new plant variety.[1] Both of these acts are specifically excluded from acts of infringement under the PVPA. 7 U.S.C. §§ 2543-2544.

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[1] Experimental use of a patented item in connection with the experimenter's business or with the idea of selling the experimental results is infringement under Title 35. *Roche Products, Inc. v. Bolar Pharmaceutical Co., Inc.*, 733 F.2d 858, 862-863 (Fed. Cir. 1984).

Further, Congress when it enacted the PVPA set four standards that must be satisfied before a certificate of plant variety protection can be issued granting the right to exclude others from sexually reproducing a plant variety, or from selling or using a plant variety so reproduced. A plant variety is protectable under the PVPA only if it is judged to be new, distinct, uniform (to a "commercially acceptable" degree), and stable. 7 U.S.C. § 2402. Section 101 utility patents on plants and plant varieties are not issued under these four standards. Applying these standards requires judgments of degree. Congress as part of the PVPA directed that a special agency be created to apply these standards and administer the other carefully drawn plant specific provisions of the PVPA. The Act mandates creation of the Plant Variety Protection Office and its governing body, the Plant Variety Protection Board. 7 U.S.C. §§ 2321, 2323, and 2327. The Act requires that the Plant Variety Protection Board consist of "experts in various areas of varietal development covered by this chapter", which "shall include farmer representation and shall be drawn approximately equally from the private or seed industry sector and from the sector of government or the public". 7 U.S.C. § 2327. The Panel's ruling judicially imposes the PTO as an agency authorized to grant the right to exclude others from sexually reproducing plants, or selling or using plants so reproduced, despite the fact that Congress in the plant specific PVPA made no mention of the PTO filling such a role.

B. The Express Terms of the Plant Specific Statutes Preclude Issuance of Utility Patents on Plants Under 35 U.S.C. § 101.

This Court instructed in *Demarest v. Manspeaker*, 498 U.S. 184, 190 (1991): "When we find the terms of a statute unambiguous, judicial inquiry is complete except in rare

and exceptional circumstances." Recently in *Food and Drug Administration v. Brown & Williamson Tobacco Corporation*, 529 U.S. ___, 120 S.Ct. 1297 (March 21, 2000), this Court repeated its instructions on the importance of confining an agency's exercise of authority to that actually granted by the text of its enabling statute:

> Regardless of how serious the problem an administrative agency seeks to address, however, it may not exercise its authority "in a manner that is inconsistent with the administrative structure that Congress enacted into law." ETSI Pipeline Project v. Missouri, 484 U.S. 495, 517, 108 S.Ct. 805, 98 L.Ed.2d 898 (1988). And although agencies are generally entitled to deference in the interpretation of statues that they administer, a reviewing "court, as well as the agency, must give effect to the unambiguously expressed intent of Congress." Chevron U.S.A. Inc. v. Natural Resources Defense Council, Inc. 467 U.S. 837, 842-843, 104 S.Ct. 2778, 81 L.Ed.2d 694 (1984).

The Panel's judgment conflicts with long-standing precedent of this Court which even at the turn of the last century was old law:

> It is a well-settled principle of construction that specific terms covering the given subject-matter will prevail over general language of the same or another statute which might otherwise prove controlling. Re Rouse, H. & Co. 33 C. C. A. 356, 63 U. S. App. 570, 91 Fed. 91-100, and cases therein cited; Townsend v. Little, 109 U. S. 504, 512, 27 L. Ed. 1012, 1015, 3 Sup. Ct. Rep. 357.

Kepner v. United States, 195 U.S. 100, 125 (1904). This rule has been consistently followed: *Ginsberg & Sons v. Popkin*, 285 U.S. 204, 208 (1931); *Clifford F. MacEvoy Co. v. United States*, 322 U.S. 102, 107 (1944); *Fourco Glass Company v. Transmirra Products Corporation*, 353 U.S. 222, 228-229 (1957); *N.L.R.B. v. Allis-Chalmers Mfg. Co.*, 388 U.S. 175,

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Prior to enactment of the 1930 Plant Patent Act, 35 U.S.C. §§ 161-164 (formerly Revised Statutes, §§ 4884, 4886 and 4888), the definition of things patentable was "any new and useful art, machine, manufacture, or composition of matter, or any new and useful improvements thereof . . . ".[2] This definition was contained in Revised Statutes, § 4886, the precursor of 35 U.S.C. § 101. The 1930 PPA expanded the definition to include the new category of "plants" by adding to § 4886 the phrase "or who has invented or discovered and *asexually* reproduced any distinct and new variety of plant . . . " (emphasis added). The PPA expanded the § 4884 rights a patent holder might obtain by adding the words "(including in the case of a plant patent the exclusive right to *asexually* reproduce the plant) . . . " (emphasis added). Sexual reproduction of plants is reproducing plants by seed. Asexual

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[2] The § 101 definition of things patentable is largely unchanged from the original words penned by Thomas Jefferson in 1793. Jefferson was a plant breeder: "[T]he greatest service which can be rendered any country is to add a useful plant to its culture." *The Garden and Farm Books of Thomas Jefferson*, p. 509, Robert C. Baron Ed., 1987. Jefferson's exclusion of "plant" in the definition of things patentable was a conscious omission.

reproduction of plants is accomplished by budding, grafting, etc., but not by seed.[3] It could not be more clear that Congress in passing these amendments intended that the words "art, machine, manufacture, or composition of matter" *did not include "plants"*, and that a patent issued on a "plant" conferred only the right to exclude others from *asexually* reproducing the plant. If the patent laws already authorized patents on "plants" that protected the right to asexually *and* sexually reproduce them, there would have been no reason to pass the 1930 PPA amendments.

The comprehensive revision of Title 35 by the 1952 Congress moved the plant patent provisions into a separate Chapter 15 titled "Patents for Plants". (35 U.S.C. §§ 161-164). The 1952 Congress placed the definition of things patentable *other than "plants"* in 35 U.S.C. § 101 and gave that section the title "Inventions Patentable". Chapter 15 continued to limit plant patents to the right to exclude others only from *asexually* reproducing the plant. 7 U.S.C. § 161. None of this legislative effort by Congress in the 1952 Patent Act makes sense if Congress intended that § 101 authorized issuance of patents on plants or plant varieties that confer on the patent holder the right to exclude others from *sexually reproducing* a patented plant or plant variety. The 1952 Congress would not have moved the word "plant" out of § 101 and into Chapter 15 and maintained the asexual reproduction limitation if it intended that § 101 would authorize patents on plants

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[3] Asexually reproducing a plant produces offspring with a genetic combination identical to that of the single parent. Thus, a plant variety produced by asexual reproduction consists of genetic clones of the original parent. Sexual reproduction produces offspring with a genetic combination different than that of either of the two parents, resulting in a plant variety consisting of a range of genetic combinations. *Imazio Nursery, Inc. v. Dania Greenhouses*, 69 F.3d 1560, 1567-1568 (Fed. Cir. 1995).

granting the right to exclude others from sexually reproducing plants. If the 1952 Congress had intended § 101 to allow protection of sexual reproduction of plants, *it would have said so*, as it did with regard to protecting asexual reproduction of plants. The Federal Circuit Panel ignored the express words of the statute and judicially amended it by injecting language pertaining to plants that does not appear in § 101.

After years of study and deliberation, Congress in 1970 enacted the Plant Variety Protection Act (PVPA), 7 U.S.C. § 2321, et seq. This comprehensive statute is designed to provide federal statutory protection for plant varieties that require use of sexual reproduction (by seed) to be commercially viable. It is not realistic to contend that the 1970 Congress would carefully construct a complex specialized statute like the PVPA for the purpose of covering a particular class of plants and accord not a scintilla of its attention to 35 U.S.C. § 101 if Congress in fact intended § 101 to authorize patents on plants and thus negate many of the very concepts the 1970 Congress deliberately planted in the PVPA. To now administratively and judicially create such a § 101 patent on "plants" amounts to legislation that overrides the 1930 PPA, the 1952 Patent Act, and the 1970 PVPA. This is not agency or judicial construction of a Congressional enactment – it is Article II and Article III bodies usurping Congress's Article I authority to enact legislation. The PTO's administrative agency "[c]onstruction may not be substituted for legislation." *United States v. Missouri Pacific R. Co.*, 278 U.S. 269, 278, 49 S.Ct. 133 (1929). An agency's action cannot create statutory authority Congress did not intend to confer:

> Still again, it is urged that the commission has decided that it possesses this power, and has acted upon such decision, and an appeal is made to the rule of contemporaneous construction. But it would be strange if an administrative body could by any mere process of

> construction create for itself a power which Congress had not given to it.

Interstate Commerce Commission v. Cincinnati N.O. & T.P.R. Co., 167 U.S. 479, 510 (1897).

The Federal Circuit's order denying Petitioners' Petition for Rehearing En Banc was issued March 13, 2000. (App. 40-41) On March 21, 2000 this Court issued its opinion in *Food and Drug Administration v. Brown & Williamson Tobacco Corporation*, 529 U.S. ___, 120 S.Ct. 1291 (2000), applying the rule of statutory construction that a specific statute on a given subject controls over a more general one that otherwise might arguably include the subject within its ambit. Consequently, the Federal Circuit's ruling must be viewed in light of the fact that the panel did not have the *Brown & Williamson* case for guidance.

In *Brown & Williamson* the Court held that the general language of the Food, Drug and Cosmetic Act (FDCA), 21 U.S.C. § 301, et seq., giving the Federal Drug Administration power to regulate "drugs", "devices", and "combination products", did not authorize the FDA to regulate cigarettes and smokeless tobacco. Since the enactment of the FDCA, Congress had passed incremental tobacco specific legislation in the form of six acts regulating tobacco. This evidenced Congressional intent that the FDA did not have jurisdiction under the FDCA to regulate the specific subject of tobacco. This Court in *Brown & Williamson* explained at 120 S.Ct. 1300-1301:

> Under Chevron, a reviewing court must first ask "whether Congress has directly spoken to the precise question at issue." Id., at 842, 104 S.Ct. 2778. If Congress has done so, the inquiry is at an end; the court "must give effect to the unambiguosly expressed intent of Congress." . . .
>
> . . . It is a "fundamental canon of statutory construction that the words of a statute must be read in their context and with a view to their place in the overall statutory scheme." . . . A court must therefore interpret the statute "as a

> symmetrical and coherent regulatory scheme," . . . and "fit, if possible, all parts into an harmonious whole," . . . *Similarly, the meaning of one statute may be affected by other Acts, particularly where Congress has spoken subsequently and more specifically to the topic at hand.* See United States v. Estate of Romani, 523 U.S. 517, 530-531, 118 S.Ct. 1478, 140 L.Ed.2d 710 (1998); United States v. Fausto, 484 U.S. 439, 453, 108 S.Ct. 668 98 L.Ed.2d 830 (1988). [Emphasis added]

This Court continued at 120 S.Ct. 1306, instructing that the subsequently enacted tobacco specific legislation affected the implications that could be drawn from the general language of the FDCA:

> In determining whether Congress has spoken directly to the FDA's authority to regulate tobacco, we must also consider in greater detail the tobacco-specific legislation that Congress has enacted over 35 years. At the time a statute is enacted, it may have a range of plausible meanings. Over time, however, subsequent acts can shape or focus those meanings. The "classic judicial task of reconciling many laws enacted over time, and getting them to 'make sense' in combination, necessarily assumes that the implications of a statue may be altered by the implications of a later statue." United States v. Fausto, 484 U.S., at 453, 108 S.Ct. 668. *This is particularly so where the scope of the earlier statute is broad but the subsequent statutes more specifically address the topic at hand. As we recognized recently in United States v. Estate of Romani, "a specific policy embodied in a later federal statute should control our construction of the [earlier] statute, even though it ha[s] not been expressly amended." 523 U.S., at 530-531, 118 S.Ct. 1478.* [Emphasis added]

This Court therefore held in *Brown & Williamson* at 120 S.Ct. 1307:

> Congress has created a distinct regulatory scheme to address the problem of tobacco and health, and that scheme, as presently constructed, precludes any role for the FDA.

The PVPA is a *comprehensive* act enacted after § 101 that governs the precise and single subject of federal protection of sexually reproducing plant varieties. Unlike the tobacco specific legislation involved in *Brown v. Williamson*, the PVPA is comprehensive instead of incremental. Also unlike *Brown & Williamson*, under the PVPA Congress established an administrative agency within the Department of Agriculture to determine issues arising under the PVPA – the PVP Office and PVP Board. The case for no authority in the PTO to issue patents on sexually reproducing plant varieties accordingly is much stronger than the case against the FDA for authority to regulate tobacco products.

In *United States v. Estate of Romani*, 523 U.S. 517, 532 (1998), this Court likewise explained:

> As was the case with the National Bank Act, the Transportation Act of 1920, and the Bankruptcy Act of 1989, *the Tax Lien Act is the later statute, the more specific statute, and its provisions are comprehensive, reflecting an obvious attempt to accommodate the strong policy objections to the enforcement of secret liens*. . . . Even before the 1966 amendments to the Tax Lien Act, this Court assumed that the more recent and specific provisions of that Act would apply were they to conflict with the older priority statute. [Emphasis added]

Brown & Williamson and *Romani* squarely support the position of the petitioners before the Federal Circuit Panel that the later enacted plant specific statutes (PPA and PVPA) control over the more general 35 U.S.C. § 101. The Panel's opinion dismissed petitioners' statutory construction arguments without analysis in these conclusory statements (App. 8):

> The Court in *Chakrabarty* responded to the objection to patenting living things by stating that

> "Congress is free to amend § 101 so as to exclude from patent protection organisms produced by genetic engineering . . . Or it may choose to craft a statute specifically designed for such living things." 447 U.S. at 318, 206 USPQ at 201. The defendants argue that this is what Congress did in the PVPA. However, the PVPA does not purport to remove plants from the patent statute. Neither Congress nor the courts excluded new plant varieties from the patent statute; the enactment of the PVPA did not effect such an exclusion.

The PVPA did not expressly carve out sexual reproduction of plants from rights granted by the general patent statute because Congress had already done this when it enacted the plant specific 1930 PPA expressly limiting patents to asexual reproduction. The 1952 Congress again endorsed this intent to exclude sexual reproduction of plants from patent rights when it removed "plant" from the definition of patentable subject matter in § 101, moved "plant" to § 161, and restricted plant patents permitted by Chapter 15 of Title 35 to excluding others from asexual reproduction of plants. 7 U.S.C. §§ 161, 163. The Panel's statement that the plant specific PVPA did not effect an exclusion of sexually reproducing plants from the more general patent statute violates the rule laid down in *Brown & Williamson* that a later enacted product specific regulatory statute controls over a more general statute.

C. The Federal Circuit Relied on an Erroneous Reading of Legislative History and Ignored the Language Congress Used in the Statutes Themselves.

The Panel actually based its ruling on an incorrect reading of legislative history rather than the texts of the successively enacted relevant statutes: the 1930 PPA, the 1952 Patent Act, and the 1970 PVPA. The Panel said at page 2 of its ruling (App. 3):

> The district court held that the Supreme Court in *Diamond v. Chakrabarty*, 447 U.S. 303, 309, 206 USPQ 193, 197 (1980), in stating that "Congress intended statutory subject matter to 'include anything under the sun that is made by man,' " (quoting S. Rep. No. 1979 at 5 (1952)), confirmed that there is no basis in law for excluding living things, in this case seeds and seed-grown plants and parts thereof, from the subject matter included in § 101 . . .

The Panel misstates the holding of *Diamond v. Chakrabarty*, 447 U.S. 303, 309, 318 (1980). The Panel is mistaken in its belief that the Court in *Chakrabarty* held that "anything under the sun that is made by man" is patentable subject matter under § 101. Examination of the *Chakrabarty* opinion compels the conclusion that the Panel's ruling in the present case conflicts with the clear teachings of *Chakrabarty*.

The source of the "anything under the sun" statement is Sen. Rep. No. 82-1979, 82nd Cong. 2nd Sess. p. 5 (1952), issued in connection with Congress' 1952 comprehensive revision of the patent laws. The quotation presented by the Panel must be read in its entirety and in its original context in the legislative reports. The full and correct statement is: "A person may have 'invented' *a machine or a manufacture*, which may include anything under the sun that is made by man . . . " (emphasis added). Sen. Rep. No. 82-1979, p. 5 (the Senate Report repeats the substance of the House Report). The report here was addressing "a machine or manufacture".[4] The very next page (6) of the Senate Report specifically addresses "plants": "Chapter 15 collects the provisions relating to plant patents . . . " At page 14 the Senate Report states: "Section 101 follows the wording of the existing statute as to the subject matter for patents, except

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[4] Plants replicate themselves if the DNA is protected as the plant grows and the seed is stored. "Machines and manufactures" do not.

that reference to plant patents has been omitted for incorporation in section 301 [35 U.S.C. § 101] . . . " (*See also* p. 16 of the Senate Report moving the relaxed written description requirement for "plants" to the new Chapter 15.) Thus, when read in the context of the original source document, the committee report's phrase "anything under the sun that is made by man" was not intended by Congress to have the effect decades later of rewriting § 101 to once again include "plants" and do so without the original asexual reproduction limitation. Nor did the Supreme Court by use of the "anything under the sun" phrase in *Chakrabarty* mean that "plants" were patentable subject matter under § 101. *Chakrabarty* decided the § 101 patentability of bacteria, not "plants".

The fact that the phrase "anything under the sun that is made by man" was not intended to include "plants" certainly was clear to Judge Rich when he authored the opinion in *Application of Bergy and Application of Chakrabarty*, 596 F.2d 952 (U.S. Ct. Cust. & Pat. App. 1979), *aff'd, Diamond v. Chakrabarty*, 447 U.S. 303 (1980). At 596 F.2d 987 Judge Rich wrote:

> The terms are broad: "any * * * manufacture, or composition of matter." If we had any doubt about the propriety of giving those words a broad interpretation, it would be dispelled by the identical statement in the House and Senate reports accompanying the 1952 reenactment, quoted supra, that "a machine, or a manufacture * * * may include *anything under the sun that is made by man*." (Emphasis ours.)[25]

Judge Rich made clear at note 25 that neither the phrase plucked from legislative history, nor the text of § 101, was intended by the 1952 Congress to include "plants":

> We recognize that, at the time the statement was made, its authors realized that Congress did not intend the term "manufacture" in § 101 to include plants, which were specifically provided for elsewhere. It is with this in mind that we take the quoted statement as an expression of

> congressional will that the term "manufacture" otherwise be given the broadest possible interpretation.

596 F.2d at 987, n. 25.

The Federal Circuit Panel incorrectly concluded that, "The defendants do not dispute that the subject matter of the patents in suit is within the scope of the *Chakrabarty* decision . . . " (App. 4). What petitioners actually did not dispute is that under *Chakrabarty* the fact that plants are living things itself is not a sufficient reason to exclude them from § 101 patentable subject matter. The reason plants are *not* included within § 101 patentable subject matter is because Congress did not intend § 101 to authorize issuance of patents on *"plants"*.

In *Chakrabarty* it was argued that patents cannot issue on bacteria because the 1970 PVPA specifically excluded bacteria from protection. 7 U.S.C. § 2402(a). However, the *Chakrabarty* Court observed that the legislative history of the PVPA gave no reason for that exclusion. The court explained at 447 U.S. 314:

> In any event, absent some clear indication that Congress "focused on [the] issues . . . directly related to the one presently before the Court," SEC v. Sloan, 436 U.S. 103, 120-121, 98 S.Ct. 1702, 1713, 56 L.Ed.2d 148 (1978), there is no basis for reading into its actions an intent to modify the plain meaning of the words found in § 101. See TVA v. Hill, 437 U.S. 153, 189-193, 98 S.Ct. 2279, 2299-2301, 57 L.Ed.2d 117 (1978); United States v. Price, 361 U.S. 304, 313, 80 S.Ct. 326, 331, 4 L.Ed.2d 334 (1960).

The history of federal statutory protection for "plants" is exactly opposite that of bacteria. Congress time and again had addressed the precise issue and repeatedly has decided not to employ Title 35 as a means of protecting the right to sexually reproduce "plants". The Panel did not recognize the importance of the statutory history and incorrectly failed to follow *Chakrabarty*. It entirely misapplied that opinion to the facts of the present case. The

present dispute deals with patentability of sexually reproducing plants – the precise and sole subject of the PVPA.

In *Chakrabarty*, 447 U.S. at 318, the Court discussed two ways in which Congress could express an intent to exclude a particular type of living organism from the scope of § 101 patentable subject matter:

> Congress is free to amend § 101 so as to exclude from patent protection organisms produced by genetic engineering. Cf. U.S.C. § 218(a), exempting from patent protection inventions "useful solely in the utilization of special nuclear material or atomic energy in an atomic weapon." Or it may choose to craft a statute specifically designed for such living things. But, until Congress takes such action, this Court must construe the language of § 101 as it is. The language of that section fairly embraces respondent's invention.

In the case of sexual reproduction of plants *Congress has done both*. In enacting the 1930 PPA, Congress specifically expanded the scope of § 101's precursor, Revised Statutes § 4886, to include for the first time "plants", but limited the expansion to asexually reproduced plants. Congress then in 1952 *specifically refused to include patents on "plants" in § 101* and placed them in a separate Chapter 15 of Title 35. Congress later passed a separate law, the 1970 PVPA, specifically designed to provide protection of the right to sexually reproduce novel varieties of plants, or use or sell plants so reproduced. The Panel's approval of the granting of patent protection to sexually reproducing plants under 35 U.S.C. § 101 is in direct conflict with (1) Congress' decision not to include sexual reproduction of plants in the 1930 PPA, (2) Congress' 1952 decision to exclude "plants" from § 101, (3) Congress' enactment of the PVPA of 1970, and (4) the Supreme Court's dictates in *Chakrabarty*.

At some point it will be argued in resistance to this petition that without § 101 patent protection for sexually

reproducing plant varieties there will not be sufficient incentive to conduct research and development. There is not a shred of testimony in this case supporting such a doomsday prognosis. In any case, this prediction raises facts of a legislative, not judicial, character. Congress considered this precise matter before it enacted the PVPA, which guarantees farmers the right to save seed for planting and guarantees plant breeders the right to carry on bona fide research without becoming subject to civil liability for infringement. If Pioneer (now DuPont) or Monsanto (now Pharmacia) wants to rehash this argument, the proper forum is Congress for its deliberation. There it will be tested by investigators, economists and scientists backed by the resources of the federal government.

The texts of the statutes involved in this case, when viewed in the context of their successive enactments, clearly establish that "plants" are not intended to be patentable subject matter under § 101. But if there is any residual doubt about this conclusion, legislative history removes it. Where the statutory language "is not free from doubt we are justified in seeking enlightenment from reports of Congressional Committees and explanations given on the floor of the Senate and House by those in charge of the measure." *Wright v. Vinton Branch of Mountain Trust Bank*, 300 U.S. 440, 463, n. 8, 57 S.Ct. 556 (1937). A court may in particular consider the legislative history as an aid to confirming the *purpose or design* of a statute. *Commissioner of Internal Revenue v. Bilder*, 369 U.S. 499, 503-504, 82 S.Ct. 881 (1962); *Wright*, *supra* 300 U.S. at 463, n. 8.

The Senate Committee on Patents Report on the PPA stated:

> I. Purposes of the Bill
>
> The purpose of the bill is to afford agriculture, so far as practicable, the same opportunity to participate in the benefits of the patent system as has been given industry, and thus assist in placing agriculture on a basis of economic equality with industry. The bill will remove the existing discrimination between plant developers and industrial inventors. To these ends the bill provides that any person who invents or discovers a new and distinct variety of plant shall be given by patent an exclusive right to propagate that plant by asexual reproduction; that is by grafting, budding, cuttings, layering, division, and the like, *but not by seeds*. [Emphasis added]

Senate Report No. 315, Calendar 307 [To Accompany S. 4015], 71st Congress, April 2, 1930, p. 1. Senate Report No. 315 also explained at page 4 that the purpose of the PPA was to grant a limited form of protection:

> Patent Grants Right Of Asexual Reproduction Only
>
> . . . On the other hand, it does not give any patent protection to the right of propagation of the new variety by seed, irrespective of the degree to which the seedlings come true to type.

On July 23, 1965, a presidential commission was appointed to review the operation of the United States patent system. It spent eighteen months accomplishing this review. Patent Law Revision Hearings, Subcommittee on Patents, Trademarks, and Copyrights, Senate Judiciary Committee, 90th Cong. 2nd Sess., 1968, Part 3, p. 648. One recommendation of the presidential commission was that all provisions in the patent law for plant patents be deleted. *Id.*[5] The U.S. Department of Agriculture opposed a proposed amendment to expand the coverage of 35 U.S.C. §§ 161-164 to include sexual reproduction of

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[5] The record of the 1968 Patent Law Revision Hearings, *supra*, states at Part 3, p. 648:

> While the commission acknowledges the valuable contribution of plant breeders, it does not consider the patent system the proper vehicle for the protection of such subject matter regardless of whether the plants reproduce sexually or asexually.

plants. *Id.* at 715.[6] These references are offered only to remind us of the extent of the continuing political debate that preceded the passage of the 1970 PVPA. Ultimately the interest groups involved in the debate received a political resolution of their positions in the form of passage of the PVPA. It is exactly this type of debate that is avoided by the administrative and judicial amendment of § 101 that reinserts "plants" without the asexual reproduction limitation imposed by Congress in 1930 and again in 1952.

When Congress enacted the PVPA in 1970 it declared its intent that Title 35 did not confer patent protection that covered sexual reproduction of plant varieties when it stated at page 1 of House Report No. 91-1605, 91st Cong., 2nd Sess. 1970, U.S.C.C.A.N. 5082, October 13, 1970, under "Purpose":

> Under patent law, protection is presently limited to those varieties of plants which reproduce asexually, that is, by such methods as grafting or budding. No protection is available to those varieties of plants which reproduce sexually, that is, generally by seeds. Thus, patent protection is not available with respect to new varieties of most of the economically important agricultural crops, such as cotton or soybeans.

The 1970 PVPA Senate Judiciary Committee's Report No. 91-1246 likewise made it clear that Title 35 did not provide protection for sexually reproducing plant varieties and that the absence of any federal patent-type

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[6] The U.S. Department of Agriculture's statement at Part 3, p. 716, of the 1968 Patent Law Revision Hearings, *supra*, states:

> Our second ground of objection to the proposed amendment stems from the fundamental differences between vegetative or asexual reproduction of plants and the reproduction of plants by seed. It is also because of these differences that patenting can be a satisfactory medium only for the protection of asexually reproduced plants.

protection for such varieties necessitated Congress' enactment of the PVPA. Senate Report No. 91-1246 provides at pp. 2-3:

> During the hearings by this committee's Subcommittee on Patents, Trademarks, and Copyrights on the legislation providing for a general revision of the patent laws, consideration was given to an amendment of the plant patent section of the patent law. Under the patent law, patent protection is limited to those varieties of plants which reproduce asexually, that is, by such methods as grafting or budding. *No protection is available to those varieties of plants which reproduce sexually, that is, generally by seeds. Thus, patent protection is not available with respect to new varieties of most of the economically important agricultural crops, such as cotton or soybeans.* The Patent Subcommittee conducted hearings on February 1, 1968, on an amendment to broaden the scope of plant patent protection so as to apply to sexually reproduced plants. A number of objections to this proposal were advanced during the hearings, and no further action in that area has been taken by the subcommittee.
>
> Subsequently, legislation was introduced to encourage the development of novel varieties of sexually reproduced plants by the issuance of certificates of plant variety protection by the Department of Agriculture. S. 3070, to establish such protection, was reported by the Committee on Agriculture and Forestry, and on August 24 this legislation was referred to this committee for the purpose of reviewing its impact on the plant patent statute. *The committee accordingly has examined S. 3070 and finds that it does not alter protection currently available within the patent system. The committee recommends the bill, S. 3070, favorably as amended.* [Emphasis added]

This legislative history is unmistakable. The PVPA was enacted because sexually reproducing plant varieties were not and had never been intended by Congress to be included within the class of things patentable under Title 35.

D. Allowance of § 101 Utility Patents on Plants Creates Irreconcilable Conflicts with the Plant Specific Statutes.

Some examples of the ways the PVPA conflicts with a system built on § 101 utility patents on plants are:

1) research exemption, 7 U.S.C. § 2544 [Pioneer tag prohibits research];

2) crop saving exemption, 7 U.S.C. § 2543 [Pioneer tag prohibits crop saving];

3) standards rendering a plant variety protectable – new, distinct, uniform (to a "commercially acceptable" degree), and stable, 7 U.S.C. § 2402;

4) protection extends to an "essentially derived variety" but not to all varieties derived from the protected variety, 7 U.S.C. § 2401(a)(3) and 7 U.S.C. § 2541(c)(1);

5) establishment of a special office, the Plant Variety Protection Office, to administer the PVPA, 7 U.S.C. § 2321, 2323;

6) establishment of the Plant Variety Protection Board consisting of "experts in various areas of varietal development covered by this chapter", which "shall include farmer representation and shall be drawn approximately equally from the private or seed industry sector and from the sector of government or the public", 7 U.S.C. § 2327;

7) infringement acts include:

(a) sexually multiplying the variety "as a step in marketing (for growing purposes) the variety" [not research], 7 U.S.C. § 2541(a)(3);

(b) using the variety "in producing (*as distinguished from developing*) a hybrid or different variety therefrom" (emphasis supplied), 7 U.S.C. § 2541(a)(4) [Pioneer tag states "use . . . for . . . development of a hybrid or different variety of seed is strictly prohibited."];

(c) performing any of the infringing acts specified in § 2541(a) "even in instances in which the variety *is multiplied other than sexually, except in pursuance of a valid United States plant patent*" (emphasis supplied), 7 U.S.C. § 2541(a)(9);

8) infringement does not include performing any act concerning propagating material of any kind of a protected variety that is sold or otherwise marketed with the consent of the owner in the United States *"unless the act involves further propagation of the variety"* (emphasis supplied), 7 U.S.C. § 2541(d);

9) no damages can be recovered against infringer without actual knowledge if protected variety's container is not labelled "Unauthorized Propagation Prohibited" or "Unauthorized Seed Multiplication Prohibited", 7 U.S.C. § 2567 [Pioneer's tags contain patent warnings but not these specific prominent PVPA notices.]

The Panel at page 7 of its opinion attempted to circumvent the conflicts between § 101 utility patents on sexually reproducing plant varieties and PVPA certificates on those varieties in the following three conclusory sentences (App. 8-9):

> The district court observed, correctly, that the asserted conflict is simply the difference in the rights and obligations imposed by the two statutes. It is not unusual for more than one statute to apply to a legal or property interest. For example, an ornamental design may qualify for

> protection under both copyright and design patent law. The fact that laws are of different scope does not invalidate the laws.

The Panel cited no authority for its position. The cases cited by the district court do not support protection of sexually reproducing plant varieties under both the PVPA and § 101. This is because so-called "dual protection" cannot exist where each federal statute purports to protect the identical attribute of a thing.

The valuable attribute of plants protected under the PVPA is that they can be multiplied by sexual reproduction on a commercially profitable scale. The district court in its order found that Title 35 and the PVPA protect the same right – the right to exclude others from multiplying a protected plant by sexual reproduction.

In *Mazer v. Stein*, 347 U.S. 201 (1954) cited by the district court, the Supreme Court simply held that statuettes having artistic value and that are incorporated in a lamp stand having utility could be proper subjects of copyright to protect the artistic value. 347 U.S. at 214-217. The statuettes/lamp stands were not patented and the issue of their patentability was not decided. 347 U.S. at 217. The *Mazer* Court found it important to explain that: "Unlike a patent, a copyright gives no exclusive right to the art disclosed; protection is given only to the expression of the idea – not the idea itself." 347 U.S. at 217. The copyright statute and Title 35 dealt with two different rights of exclusion. One statute (copyright) protected an identifiable attribute of the stands, while another statute (patent) protected a different identifiable attribute. Hence, there is not "dual" protection accorded by the two federal statutes – both could not be applied to protect the same attribute of an item such as a lamp stand.

The district court and Panel did not address *Ropat Corp. v. McGraw-Edison Co.*, 535 F.2d 378 (7th Cir. 1976). The *Ropat* court ruled that, while a design patent and a utility patent may be issued under Title 35 on the same construction, each patent must claim a separate, distinct patentable invention. Dual patents cannot be issued "if

the feature in which the novel esthetic effect resides is the identical feature which produces the novel function so that a structure embodying the mechanical invention would of necessity embody the design, and vice versa." *Id.* at 381.

Congress itself later expressed its intent that a copyright and a design patent could not be issued to protect the same construction. The Copyright Act provides at 17 U.S.C. § 101:

> [T]he design of a useful article, as defined in this section, shall be considered a pictorial, graphic, or sculptural work only if, and only to the extent that, such design incorporates pictorial, graphic, or sculptural features that can be identified separately from and are capable of existing independently of, the utilitarian aspects of the article.

Dual protection of the same invention is exactly what the Panel approved. Its order impermissibly allows statutory protection under the PVPA for the right to multiply a plant variety by sexual reproduction while simultaneously allowing statutory patent protection under Title 35 for the same right to multiply a plant variety by sexual reproduction. If a Title 35 utility patent and a Title 35 design patent cannot be allowed to provide protection for the same attribute of an invention (see *Ropat*), then a Title 35 utility patent certainly cannot be issued to provide protection for the same valuable attribute of the same invention that is protected by a separate and more specific statute (the PVPA).

II.

THE QUESTION PRESENTED IS IMPORTANT

The Federal Circuit's ruling expands the patent issuing authority of the PTO beyond that granted by Congress in the agency's enabling statute, 35 U.S.C. § 101.

Such questions involving statutorily unauthorized exercise of power by an agency are important questions worthy of the grant of a writ of certiorari. In the present case the entire statutory scheme designed by Congress to provide a federal statutory right to exclude others from sexually reproducing a plant variety, or using or selling plants so reproduced, has been thwarted.

This Court explained the purpose and function of the PVPA in *Asgrow Seed Co. v. Winterboer*, 513 U.S. 179, 181 (1995):

> In 1970, Congress passed the Plant Variety Protection Act (PVPA) 84 Stat. 1542, U.S.C. § 2321 et seq., in order to provide developers of novel plant varieties with "adequate encouragement for research, and for marketing when appropriate, to yield for the public the benefits of new varieties." § 2581. The PVPA extends patent-like protection to novel varieties of sexually reproduced plants (that is, plants grown from seed) which parallels the protection afforded asexually reproduced plant varieties (that is, varieties reproduced by propagation or grafting) under Chapter 15 of the Patent Act. See 35 U.S.C. §§ 161-164.
>
> The developer of a novel variety obtains PVPA coverage by acquiring a certificate of protection from the Plant Variety Protection Office. See 7 U.S.C. §§ 2421, 2422, 2481-2483. This confers on the owner the exclusive right for 18 years [now 20 years, again paralleling the scope of protection under Title 35] to "exclude others from selling the variety, or offering it for sale, or reproducing it, or importing it, or exporting it, or using it in producing (as distinguished from developing) a hybrid or different variety therefrom." § 2483.

The nation's large cash crops such as soybeans, cotton, corn, wheat and rice all require use of sexual reproduction (seeds) in order to produce crops in commercial

quantities because they must be replanted each year. Even plants such as bushes, trees and flowers that can be commercially produced by use of asexual reproduction make use of sexual reproduction in plant breeding research to develop new plants that are then asexually reproduced.

Farmers across the nation are now being sued for patent infringement for saving seed to replant on their own farms. This is not a violation of the PVPA. *Asgrow Seed Co. v. Winterboer*, 513 U.S. at 190-191. George Washington wrote: " . . . it is miserable for a farmer to be obliged to buy his seeds; to exchange seeds may, in some cases, be useful, but to buy them after the first year is disreputable." (George Washington to farm manager William Pierce, November 16, 1791.) The 1994 PVPA Amendments House Report (Agricultural Committee) No. 103-699, Aug. 12, 1994 (To accompany H.R. 2927), states in Section 10, p. 17:

SECTION 10-RIGHT TO SAVE SEED;
CROP EXEMPTION

* * *

> It is not the intent of the Committee that deletion of the provision allowing the sale of saved seed to be viewed as a step toward the eventual end to the traditional right of farmers to save seed for use on their own holdings. During the UPOV negotiations, many representatives to the UPOV conference asserted that farmers in their countries had a traditional right to save seed for their own use and that removal of this right would likely preclude some non-member countries, currently considering joining, from doing so. Retention of the farmers' exemption is an attempt to balance the varying interests of U.S. companies and producers, as well as to strengthen acceptance of plant breeders rights internationally.

The Federal Circuit's ruling, however, puts an end to the traditional right to save seed.

The agricultural industry has gone through a period of intense economic consolidation. Allowing twenty year utility patent protection of plants with no exemption for plant breeding research by sexual reproduction greatly increases the consolidation of plant gene pools, contrary to the intent of Congress in enacting the PVPA. 7 U.S.C. § 2544. Now a person or company wishing to engage in plant breeding research must take into account the risk of becoming embroiled in a patent infringement lawsuit. A plant's DNA can be viewed as a storehouse of information that can be communicated by RNA messages that can manifest themselves in the characteristics of an offspring plant. Without the ability to do research involving sexual reproduction, the plant's DNA storehouse of information remains locked.

Arguments such as these should be heard by Congress before amending Title 35 and the PVPA to endorse § 101 utility patents on plants. The question presented is important to farmers and small seed companies that must buy seed subject to § 101 utility patents, and to plant breeding researchers. The question presented deserves to be heard by this Court.

CONCLUSION

For the reasons set forth above, the petition for a writ of certiorari should be granted.

Respectfully Submitted,

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APPENDIX

United States Court of Appeals for the Federal Circuit

99-1035

PIONEER HI-BRED INTERNATIONAL, INC.,

Plaintiff-Appellee,

v.

J.E.M. AG SUPPLY, INC. (doing business as Farm Advantage, Inc.), FARM ADVANTAGE, INC., LARRY BENZ, MERLE PRUETT (doing business as Siouxland Seeds, Inc.), KEVIN WOLFSWINKEL, TIM KAMSTRA, and TOM EISCHEN SEED AND CHEMICALS,

Defendants-Appellants.

Edmund J. Sease, Zarley, McKee, Thompte, Voorhees & Sease, P.L.C., of Des Moines, Iowa, argued for plaintiff-appellee. With him on the brief was *Daniel J. Cosgrove*. Of counsel on the brief was *Herbert H. Jervis*, Vice President & Chief Intellectual Property Counsel, Pioneer Hi-Bred International, Inc., of Johnston, Iowa.

Bruce E. Johnson, Lewis, Webster, Johnson, Van Winkle & DeVolder, L.L.P., of Des Moines, Iowa, argued for defendants-appellants. With him on the brief was *S. P. DeVolder*.

Warren D. Woessner, Schwegman, Lundberg, Woessner & Kluth, P.A., of Minneapolis, Minnesota, for amicus curiae American Intellectual Property Law Association.

Appealed from: U.S. District Court for the Northern District of Iowa

Senior Judge Donald E. O'Brien

United States Court of Appeals for the Federal Circuit

99-1035

PIONEER HI-BRED INTERNATIONAL, INC.,

Plaintiff-Appellee,

v.

J.E.M. AG SUPPLY, INC. (doing business as Farm Advantage, Inc.), FARM ADVANTAGE, INC., LARRY BENZ, MERLE PRUETT (doing business as Siouxland Seeds, Inc.), KEVIN WOLFSWINKEL, TIM KAMSTRA, and TOM EISCHEN SEED AND CHEMICALS,

Defendants-Appellants.

DECIDED: January 19, 2000

Before MAYER, *Chief Judge*, NEWMAN and LOURIE, *Circuit Judges*.

NEWMAN, *Circuit Judge*.

The defendants in this patent infringement suit are J.E.M. Ag Supply, Inc. (doing business as Farm Advantage, Inc.), Larry Benz, Merle Pruett (doing business as Siouxland Seeds, Inc.), Kevin Wolfswinkel, Tim Kamstra, and Tom Eischen Seed & Chemicals. The patents in suit, owned by Pioneer Hi-Bred International, Inc., are directed to plants and seed for new varieties of hybrid and inbred corn. The United States District Court for the Northern District of Iowa, denying the defendants' motion for summary judgment, ruled that seeds and

plants grown from seed, that is, sexually reproduced plants, are patentable subject matter within the scope of 35 U.S.C. §101.[1] On interlocutory appeal of the denial of summary judgment under 28 U.S.C. §1292(b)[2], we affirm the district court's ruling.

DISCUSSION

The district court held that the Supreme Court in *Diamond v. Chakrabarty*, 447 U.S. 303, 309, 206 USPQ 193, 197 (1980), in stating that "Congress intended statutory subject matter to 'include anything under the sun that is made by man,' " (quoting S.Rep. No. 1979 at 5 (1952)), confirmed that there is no basis in law for excluding living things, in this case seeds and seed-grown plants and parts thereof, from the subject matter included in §101:

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[1] *Pioneer Hi-Bred Int'l, Inc. v. J.E.M. Ag Supply, Inc.*, No. C 98-4016-DEO (N.D. Iowa Aug. 19, 1998).

[2] § 1292. Interlocutory decisions

(b) When a district judge, in making in a civil action an order not otherwise appealable under this section, shall be of the opinion that such order involves a controlling question of law as to which there is substantial ground for difference of opinion and that an immediate appeal from the order may materially advance the ultimate termination of the litigation, he shall so state in writing in such order. The Court of Appeals which would have jurisdiction of an appeal of such action may thereupon, in its discretion, permit an appeal to be taken from such order. . . .

Pioneer's petition for permission to appeal was granted by order dated October 27, 1998 (unpublished).

> **35 U.S.C. §101** Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

In *Chakrabarty* the Court dealt directly with this provision, responding to the arguments concerning patentability of Dr. Chakrabarty's new bacterium that was engineered to consume oil spills. The Court explained that the patent system is directed to the inventive works of mankind, and is not otherwise limited: "In choosing such expansive terms as 'manufacture' and 'composition of matter,' modified by the comprehensive 'any,' Congress plainly contemplated that the patent laws would be given wide scope." 447 U.S. at 308, 206 USPQ at 197.

The defendants do not dispute that the subject matter of the patents in suit is within the scope of the *Chakrabarty* decision; their argument is that this decision does not apply to plants because plants were intended to be excluded from the patent system, as evidenced by the enactment of other statutes to provide protection to plants. Thus the defendants argue that seeds and seed-grown plants are excluded from Title 35 and may be protected only under the Plant Variety Protection Act, 7 U.S.C. §2321 *et seq.*

The district court observed that the Patent and Trademark Office has been granting patents on new and unobvious varieties of seed-grown plants for at least fifteen years. In *In re Hibberd*, 227 USPQ 443, 444 (Bd. Pat. App & Interf. 1985) the Board confirmed this PTO position, rejecting the argument that "the plant-specific Acts (PPA

[Plant Protection Act] and PVPA [Plant Variety Protection Act]) are the exclusive forms of protection for plant life covered by those acts." Although the defendants criticize *Hibberd*, the district court reached the same conclusion as did the Board. Indeed, the "increasing adaptation [of the patent laws] to the uses of society" was remarked by the Court a century earlier, in *Kendall v. Winsor*, 62 U.S. (21 How.) 322, 328 (1859).

The district court discerned no historical basis for excluding seed-grown plants from the scope of §101, referring to the Supreme Court's explanation of why plants were not previously deemed to be patentable: first, plants are "products of nature," and second, plants could not be described with sufficient precision to satisfy the written description requirement of the patent statute. *Chakrabarty*, 447 U.S. at 311, 206 USPQ at 198. Now, however, mankind is learning how to modify plants in ways unknown to nature. In addition, precision of description is no longer an insurmountable obstacle, due both to rules authorizing the deposit of new species in publicly available depositories, and advances in botanical understanding and analysis. The Court, cognizant of advances in science, has ratified the traversal of these past impediments to the compass of §101. Although there remain the traditional categories that have never been viewed as patentable subject matter, *viz.*, laws of nature, natural phenomena, and abstract ideas, the policy underlying the patent system fosters its application to all areas of technology-based commerce.

On appeal, the defendants argue that the history of plant protection legislation shows that plants were never

intended to be included in the patent statute. The defendants state that the existence of the PPA and the PVPA precludes application to plants of 35 U.S.C. §101, citing the rule of construction that a general statute must give way to a specific one. *See Fourco Glass Co. v. Transmirra Prods. Corp.*, 353 U.S. 222, 228-29, 113 USPQ 234, 237 (1957) ("specific terms prevail over the general in the same or another statute which otherwise might be controlling"). The defendants argue that the *Chakrabarty* decision can not overtake this rule of statutory construction, and thus that the Court's interpretation of §101 does not apply to plants because there are statutes specific to plant protection.

The district court viewed *Chakrabarty* as resolving the uncertainty that previously existed as to the patentability of living things, and concluded that there is no impediment to reading all of the statutes concerning plant protection in harmony. *See Radzanower v. Touche Ross & Co.*, 426 U.S. 148, 155 (1976) ("when two statutes are capable of co-existence, it is the duty of the courts . . . to regard each as effective"). Thus the district court concluded that a person who develops a new plant variety may have recourse either to patenting under Title 35 or to registration under the PVPA.

The first statute that related specifically to plant protection was the Townsend-Purnell Plant Patent Act of 1930 (PPA), codified at 35 U.S.C. §§161-164. This statute provided patent protection for asexually reproduced plants, and relaxed the written description requirement to accommodate the then-available modes of describing plant varieties:

§161. Whoever invents or discovers and asexually reproduces any distinct and new variety of plant, including cultivated sports, mutants, hybrids, and newly found seedlings, other than a tuber propagated plant or a plant found in an uncultivated state, may obtain a patent therefor, subject to the conditions and requirements of this title.

The provisions of this title relating to patents for inventions shall apply to patents for plants, except as otherwise provided.

§162. No plant patent shall be declared invalid for noncompliance with section 112 of this title if the description is as complete as is reasonably possible.

The claim in the specification shall be in formal terms to the plant shown and described.

The Patent and Trademark Office rules provide that the description requirement may be met by a color photograph, identification of the origin or parentage of the plant, and a detailed description of the plant's distinguishing characteristics. *See* MPEP §1605. Thus was resolved the principal concern that had inhibited access of plants to the patent system.

The 1930 Act did not include seed-grown plants. In 1970 the Plant Variety Protection Act established a form of protection for new varieties of seed-grown and tuber propagated plants. The Act does not include the extensive examination system that is applied to applications for patents, contains several provisions specific to agricultural crops, and is administered by the Department of Agriculture. The basic requirements are as follows:

> **7 U.S.C. §2402(a).** The breeder of any sexually reproduced or tuber propagated plant variety (other than fungi or bacteria) . . . shall be entitled to plant variety protection for the variety, subject to the conditions and requirements of this chapter, if the variety is – (1) new . . . (2) distinct . . . (3) uniform . . . and (4) stable. . . .

The defendants point out that at the time of enactment of the PVPA Congress believed that seed-grown plants were not included in the patent statute, and argue that §101 can not now be interpreted as available to seed-grown plants, when Congress believed otherwise. A similar argument was presented by Justice Brennan in his dissent from the *Chakrabarty* decision. Dissenting opinions are often helpful in showing positions that were not adopted by the court. However, they are not the law.

The Court in *Chakrabarty* responded to the objection to patenting living things by stating that "Congress is free to amend §101 so as to exclude from patent protection organisms produced by genetic engineering. . . . Or it may choose to craft a statute specifically designed for such living things." 447 U.S. at 318, 206 USPQ at 201. The defendants argue that this is what Congress did in the PVPA. However, the PVPA does not purport to remove plants from the patent statute. Neither Congress nor the courts excluded new plant varieties from the patent statute; the enactment of the PVPA did not effect such an exclusion.

The defendants also object that Pioneer has obtained patents under Title 35 as well as certificates under the PVPA, and state that these statutes are in conflict. The

district court observed, correctly, that the asserted conflict is simply the difference in the rights and obligations imposed by the two statutes. It is not unusual for more than one statute to apply to a legal or property interest. For example, an ornamental design may qualify for protection under both copyright and design patent law. The fact that laws are of different scope does not invalidate the laws.

The defendants cite *Imazio Nursery, Inc. v. Dania Greenhouses*, 69 F.3d 1560, 36 USPQ2d 1673 (Fed. Cir. 1995), for its explanation of the scope of the PPA and the PVPA. At issue in *Imazio* was the meaning of the term "variety" as used in the PPA, and the resulting scope of protection afforded by that act. There was no issue in *Imazio* of the scope of §101 or its relationship to either the PPA or the PVPA.

The defendants also argue that the specifications of Pioneer's patents are not enabling; they criticize the written description and the utility of the deposits, and generally challenge validity. These issues were not decided by the district court, and are not before us. We have carefully considered all of the arguments presented; they do not show error in the district court's ruling, and they do not overcome the *Chakrabarty* decision's confirmation of the inclusion in §101 of the subject matter of the patents in suit.

We conclude that patentable subject matter under 35 U.S.C. §101 includes seeds and seed-grown plants.

AFFIRMED

Costs to Pioneer, Fed. Cir. Rule 39(a).

NOTE: Pursuant to Fed. Cir. R. 47.6, this order is not citable as precedent. It is a public order.

United States Court of Appeals for the Federal Circuit

MISCELLANEOUS DOCKET NO. 563

PIONEER HI-BRED INTERNATIONAL, INC.,

Plaintiff-Respondent,

v.

J.E.M. AG SUPPLY, INC. (doing business as Farm Advantage, Inc.). FARM ADVANTAGE, INC., LARRY BENZ, MERLE PRUETT (doing business as Siouxland Seeds, Inc.), KEVIN WOLFSWINKEL, TIM KAMSTRA, and TOM EISCHEN SEED AND CHEMICALS,*

Defendants-Petitioners.

ON PETITION FOR PERMISSION TO APPEAL

Before CLEVENGER, SCHALL and GAJARSA, *Circuit Judges*.

CLEVENGER, *Circuit Judge*.

ORDER

(Filed Oct. 27, 1998)

J.E.M. AG Supply, Inc. et al. petition for permission to appeal the order of the United States District Court for the Northern District of Iowa as one involving a controlling issue of law as to which there is substantial ground for difference of opinion and of which an immediate appeal may materially advance the ultimate termination

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* The official caption is revised to correct a typographical error.

of the litigation. *See* 28 U.S.C. § 1292(b), (c)(1). Pioneer Hi-Bred International, Inc. opposes.

Pioneer filed a patent infringement action against J.E.M. AG Supply involving various patents for sexually reproducing corn seed products. J.E.M. AG Supply counterclaimed that the patents in question were invalid because sexually reproducing plants are exclusively protectable under the Plant Variety Protection Act, 7 U.S.C. § 2321 et seq. rather than patentable under the general patent statute, 35 U.S.C. § 101. On August 19, 1998, the district court denied J.E.M. AG Supply's summary judgment motion on the issue of patent invalidity. On August 31, 1998, the district court certified that issue for interlocutory appeal.

An otherwise unappealable, interlocutory order may be reviewed by this court if a district court certifies the order pursuant to 28 U.S.C. § 1292(b), (c)(1) and this court grants a party's petition for permission to appeal the order. This court determines for itself whether it will grant permission to appeal an interlocutory order pursuant to that provision. *See in re Convertible Rowing exerciser Patent Litig.*, 903 F.2d 822 (Fed. Cir. 1990). Such a ruling is within this court's complete discretion. *See id.* Before the district court, the parties did not dispute the facts, and the district court specifically stated that the issue involved in the summary judgment motion was a purely legal one. Upon consideration of the district

court's orders and the parties' submissions, we determine in our discretion that granting the petition is warranted.

Accordingly,

IT IS ORDERED THAT:

J.E.M. AG Supply's petition for permission to appeal is granted.

FOR THE COURT

/s/ Raymond C. Clevenger, III
Raymond C. Clevender, III
Circuit Judge

OCT 27 1998
Date

cc: Bruce E. Johnson, Esq.
Edmund J. Sease, Esq.

IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF IOWA WESTERN DIVISION

PIONEER HI-BRED INTERNATIONAL, INC., Plaintiff,	*	NO. C 98-4016-DEO
vs.	*	**ORDER**
J.E.M. AG SUPPLY, INC., d/b/a FARM ADVANTAGE, INC.; FARM ADVANTAGE, INC.; LARRY BENZ; MERLE PRUETT d/b/a SIOUXLAND SEEDS, INC., KEVIN WOLFSINKEL; TIM KAMSTRA; and TOM EISCHEN SEED AND CHEMICALS, Defendants.	*	(Filed Aug. 19, 1998)

This matter comes before the Court on the defendants' Motion for Summary Judgment pursuant to Federal Rule of Civil Procedure 56. The parties briefed the issues and a hearing was held. After careful consideration of the parties written and oral arguments, the defendants' motion for summary judgment is denied.

I. INTRODUCTION

A. Factual Background

Although this matter is before the Court on a motion for summary judgment, the parties do not assert that we decide a factual issue, but the issue of whether or not the Plant Variety Protection Act is the exclusive federal statutory mechanism for granting patent like protection for sexually reproducing plants to the exclusion of the general patent law. Therefore, the Court will consider the present motion in the context of the following, essentially undisputed facts.

Plaintiff Pioneer Hi-Bred International, Inc. (Pioneer) is a corporation organized and existing under the laws of the State of Iowa, with a principal place of business in Johnston, Iowa. Pioneer is the world's largest seed corn producer. The principal defendant Farm Advantage is a family-owned full service agricultural supply business located in Clariton, Iowa. The other defendants are corporations or residents of the State of Iowa and are distributors for Farm Advantage.

Pioneer has obtained seventeen patents which cover the manufacture, use, sale, and offer for sale of hybrid and inbred corn seed products that are the subject of this suit. A table showing each hybrid, and the patents associated with that specific hybrid, as well as the issue date for each of those patents, is contained in paragraph 13 of the Pioneer's complaint and is incorporated by reference into this order. These seventeen "patents-in-suit" cover sexually reproducing corn plants. Since the issue date of each of the seventeen patents referenced in paragraph 13 of Pioneer's complaint, Pioneer has proceeded on the theory

that it is the owner of all right, title, and interests therein, including the right to sue for infringement for all times material to this case. Pioneer sells products under the aforementioned patents under a limited label license which does not allow for resale, but solely for use "to produce grain and/or forage." No other licenses have been granted to the defendants as buyers of Pioneer seed corn.

The defendants, none of which are authorized Pioneer Sales Representatives, have, from Pioneer's point of view, been infringing on one or more of the seventeen patents-in-suit by making, using, and selling, or offering for sale seed corn of the above-referenced hybrids. Pioneer has placed the required statutory notice on all bags and containers of hybrid seeds, which have been manufactured and sold by Pioneer under the letters of patent.

The seed purchased by the defendants has not been removed from the Pioneer bags and the markings on the Pioneer bags have not been altered. Further, the defendants have not rebagged any Pioneer seed in a different bag, unless it was done in connection with defense of this lawsuit for the purpose of providing examples of bags. None of the defendants have represented that they are a party to any dealer contract with Pioneer.

B. Procedural Background

Pioneer filed suit against the defendants for infringement of the seventeen patents identified above. Each of the defendants have filed answers denying Pioneer's allegations

and asserting, among other defenses, the defense of patent invalidity. Farm Advantage, in its answer, has also asserted a counterclaim asking for judgment declaring that all of Pioneer's patents listed in its complaint be found to be invalid. Farm Advantage has moved, and the other defendants have joined in, for summary judgment on its counterclaim. The only issued raised by the defendants in the motion for summary judgment is whether 35 U.S.C. § 101 confers upon the United States Patent and Trademark Office (PTO) statutory authority to grant patents on sexually reproducing plants, or whether the Plant Variety Protection Act (PVPA) of 1970, 7 U.S.C. § 2321, *et seq.*, provides exclusive federal statutory mechanism for granting patent-like protection for sexually reproducing plants. In their motion, the defendants concede that a patent, once issued, is presumed valid. *See* 35 U.S.C. § 282. However, the defendants argue that sexually reproducing plants, like the ones covered in the patents-in-suit, are not patentable subject matter under § 101. The defendants contend the PTO granted the seventeen patents-in-suit "on the basis of an erroneous understanding of the applicable law." *Thomson Industries, Inc. v. Nippon Thompson Co.*, 298 F. Supp. 466, 475 (E.D. N.Y. 1968).

Pioneer has resisted the motion for summary judgment and argues that the seventeen patents-in-suit were properly granted under 35 U.S.C. § 101 (utility patents) as they are appropriate statutory subject matter eligible for protection. Pioneer asserts that in addition to 35 U.S.C. § 101, the authority for granting utility patents on sexually reproducing plants is *Diamond v. Chakrabarty*, 447 U.S. 303 (1980); *Application of Bergy*, 596 F.2d 952 (C.C.P.A. 1979), and the PTO holding in *Ex parte Hibberd*, 227 U.S.P.Q. 443 (PTO bd. App. & Int. 1985). Pioneer contends

since the PTO's ruling in *Hibberd*, the PTO has routinely issued well over one thousand utility patents related to plants. Pioneer asserts that utility patents for sexually reproducing plants have become commonplace, not because of changes to the statutory provisions of § 101, but rather because technological advances have been made to allow plant inventors to satisfy the legal requirement for statutory subject matter. *See generally Diamond v. Chakrabarty*, 447 U.S. 303, 309 (1980) (recognizing statutory subject matter to include "anything under the sun made by man."). Finally, Pioneer asserts that because Congress has not clearly and expressly excluded sexually reproduced plants from § 101, there is no reason to read into Congress's past actions an intent to modify the plain meaning of the statute. *See* 35 U.S.C. § 112; *Chakrabarty*, 447 U.S. at 314; *Imazio Nursery v. Dania Greenhouse*, 69 F.3d 1560, 1563-64 (Fed. Cir. 1995).

As mentioned, the Court heard oral arguments on the defendants motion for summary judgment. At the conclusion of the oral arguments, the Court directed the respective parties to file a proposed order on the issue raised, which each party has done. The Court has reviewed and considered the proposed orders in reaching its decision.

II STANDARDS FOR SUMMARY JUDGMENT

A. General Standards for Summary Judgment

The Eighth Circuit Court of Appeals recognizes "that summary judgment is a drastic remedy and must be exercised with extreme care to prevent taking genuine issues of fact away from juries." *Wabun-Inini v. Sessions*, 900 F.2d 1234, 1238 (8th Cir. 1990). On the other hand, the

Federal Rules of Civil Procedure have authorized for nearly 60 years "motions for summary judgment upon proper showings of the lack of a genuine, triable issue of material fact." *Celotex Corp. v. Catrett*, 477 U.S. 317, 327 (1986). Thus, "summary judgment procedure is properly regarded not as a disfavored procedural shortcut, but rather as an integral part of the Federal Rules as a whole, which are designed 'to secure the just, speedy and inexpensive determination of every action.' " *Wabun-Inini*, 900 F.2d at 1238 (quoting *Celotex*, 477 U.S. at 327); *Hartnagel v. Norman*, 953 F.2d 394, 396 (9th Cir. 1992).

The standard for granting summary judgment is well established. Rule 56 of the Federal Rules of Civil Procedure provides, in relevant part:

> Rule 56. Summary Judgment
>
> (a) For Claiment. A party seeking to recover upon a claim, counterclaim, or cross-claim or to obtain a declaratory judgment may, at any time after the expiration of 20 days from the commencement of the action or after service of a motion for summary judgment by the adverse party, move with or without supporting affidavits for a summary judgment in the party's favor upon all or any part thereof.
>
> (b) For Defending Party. A party against whom a claim, counterclaim, or cross-claim is asserted or a declaratory judgment is sought may, at any time, move with or without supporting affidavits for a summary judgment in the party's favor as to all or any part thereof.
>
> (c) Motions and Proceedings Thereon. . . . The judgment sought shall be rendered forthwith if the pleadings, depositions, answers to

> interrogatories, and admissions on file, together with the affidavits, if any, show that there is no genuine issue as to any material fact and that the moving party is entitled to judgment as a matter of law.

Fed. R. Civ. P. 56(a)-(c); *see also Celotex*, 477 U.S. at 322-23; *Wabun-Inini*, 900 F.2d at 1238 (citing Fed. R. Civ. P. 56(c)).[1] However, the present motions for summary judgment require a somewhat narrower analysis than is the norm.

B. Primary Legal Questions

Ordinarily, analysis of a motion for summary judgment focuses on whether there are genuine issues of material fact that preclude summary judgment in the movant's favor, because they require submission of the case to a trier of fact. *See Coonley v. Fortis Benefit Ins. Co.*, 956 F. Supp. 841, 844 (N.D. Iowa 1997). *See generally, Celotex*, 477 U.S. at 323 (if the nonmoving party fails to make a sufficient showing of an essential element of a claim with respect to which it has the burden of proof, then the moving party is "entitled to judgment as a matter of law."). However, in the present case, the defendants have moved for summary judgment on the ground that there are no genuine issues of material fact. This is a

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[1] An issue of material fact is genuine if it has a real basis in the record. *Hartnagel*, 953 F.2d at 394 (citing *Matsushita Elec. Indus. Co. v. Zenith Radio Corp.*, 475 U.S. 574, 586-87 (1986)). "Only disputes over facts that might affect the outcome of the suit under the governing law will properly preclude the entry of summary judgment." *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 248 (1986).

narrow question of statutory interpretation/construction. Thus, the analysis in this case will focus on the final clause of the quoted portion of Rule 56(c), that is, on whether "the moving party is entitled to judgment as a *matter of law.*" Fed. R. Civ. P. 56(c) (emphasis added).

In *Coonley,* Judge Bennett recognized that primarily legal issues generally are issues amenable to summary disposition. *Coonley,* 956 F.Supp. at 844; *accord Mansker v. TMG Life Ins. Co.*, 54 F.3d 1322, 1326 (8th Cir. 1995) (in an ERISA plan interpretation case, the court observed, "Where the unresolved issues are primarily legal rather than factual, summary judgment is particularly appropriate."); *Mumford v. Godfried*, 52 F.3d 756, 759 (8th Cir. 1995) ("Where the unresolved issues are primarily legal rather than factual, summary judgment is particularly appropriate."). Similarly, this Court now concludes that statutory interpretation – particularly interpretation of the authority of a statute where facts are undisputed – is primarily a legal question amenable to summary judgment. *See, e.g., United States v. Carr,* 66 F.3d 981, 983 (8th Cir. 1995) (statutory interpretation is a question of law reviewed de novo); *United States v. Moore,* 38 F.3d 977, 979 (8th Cir. 1994) (the task of statutory interpretation "is one best placed in the hands of the trial judge," because it is a question of law); *United States v. Brummels,* 15 F.3d 769, 771 (8th Cir. 1994) (explaining that, while findings of fact is reviewed for clear error, "[a]s to application of facts to the legal interpretation of [a statute], the standard of review is de novo"). Thus, because the issues before the court are essentially legal – statutory interpretation – and do not turn on the existence or non-existence of a genuine

issue of material fact, summary disposition may be particularly appropriate. *See Coonley,* 956 F.Supp. at 845.

III LEGAL ANALYSIS

A. The Broad Language of 35 U.S.C. § 101

The Court's legal analysis centers on the question, whether utility patents for sexually reproduced plants fall within the subject matter protected by 35 U.S.C. § 101, which provides:

> Whoever invents or discovers any new and useful process machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefo [sic], subject to the conditions and requirements of this title.

"[I]n choosing such expansive terms as 'manufacture' and 'composition of matter,' modified by the comprehensive 'any,' Congress plainly contemplated that the patent laws would be given wide scope." *Chakrabarty,* 447 U.S. at 308. Section 101 is not to be strictly construed. *Application of Bergy,* 596 F.2d at 974.

For many years the words of § 101 have been liberally construed to include the most diverse range of imaginable and unforseen developments in technology. As the drafter of the 1952 Patent Act, Judge Rich, now of the Federal Circuit, suggested:

> [T]he Founding Fathers and the Congresses of the past century could not have foreseen the technologies that have allowed man to walk on the moon, switch travel from the railroads to heavier-than-air craft, fill our houses with color

> TV, cure normally fatal diseases with antibiotics produced by cultures of molds (microorganisms), and give to school children at small cost pocket calculators with which they can produce square roots in microseconds through complex electronic circuitry on an 'IC' (integrated circuit) so small the circuits are not visible to the naked eye.

Id. The subject matter provisions have been cast in broad terms to fulfill the constitutional and statutory goal of promoting "the Progress of Science and the useful Arts" with all the means for the social and economic benefits envisioned by the Framers. U.S. Const., art. I, § 8, cl. 8. An example of how the language of § 101 is sufficiently broad to accommodate technology encompassed within its scope is shown by the Supreme Court's recognition of living organisms as patentable subject matter in *Chakrabarty*. In view of the Supreme Court's decision in *Chakrabarty*, it appears clear that the scope of § 101 includes man-made life forms, including plant life.

B. The Effects of the Enactment of the PPA and the PVPA

The defendants argue, however, that by enacting the PPA in 1930 and the PVPA in 1970, Congress has specifically set forth how and under what conditions plant life covered by these Acts should be protected. The defendants contend that the only reasonable statutory interpretation is that the PPA and the PVPA, which were later in time and more specific than § 101, each carved out from § 101, for specific treatment, the subject matter covered by each. Thus, as mentioned, it is the defendants

position that the plant-specific acts (PPA and PVPA) are the exclusive federal statutory mechanisms for plants covered by those acts.

1. The language of the statutes

In cases of statutory construction, the Court begins with the language of the statutes. The language of § 101 has been set forth above and has been interpreted, as mentioned, by the Supreme Court to include everything under the sun that it made by man. The defendants do not point to any specific language in the PPA or the PVPA to support its position that these Acts support their position that the PPA and PVPA restrict the scope of the patentable subject matter under § 101. The Court has reviewed each of the provisions of the PPA[2] and the

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[2] The 1930 Townsend-Purnell Plant Patent Act (PPA) is currently found at 35 U.S.C. §§ 161-164. Section 161 of the PPA provides:

> Whoever invents or discovers and asexually reproduces any distinct and new variety of plant, including cultivated sports, mutants, hybrids, and newly found seedlings, other than a tuberpropagated plant or a plant found in an uncultivated state, may obtain a patent therefor, subject to the conditions and requirements of this title. The provisions of this title relating to patents for inventions shall apply to patents for plants, except as otherwise provided.

35 U.S.C. § 161. Section 162 of the PPA provides:

> No plant patent shall be declared invalid for noncompliance with section 112 of this title if the description is as complete as is reasonably possible.

PVPA[3] and concludes that neither the PAA or the PVPA expressly excludes any plant subject matter from protection under 35 U.S.C. § 101 of the General Patent law. Accordingly, the Court will next look to the legislative histories of the PPA and the PVPA to determine whether there is any clear indication of congressional intent that the specific Acts be exclusive federal statutory mechanisms.

> The claim in the specification shall be in formal terms to the plant shown and described.

35 U.S.C. § 162. Section 163 of the PPA provides:

> In the case of a plant patent the grant shall be of the right to exclude others from asexually reproducing the plant or selling or using the plant so reproduced.

35 U.S.C. § 163. Finally, Section 164 of the PPA provides:

> The President may by Executive order direct the Secretary of Agriculture, in accordance with the requests of the Commissioner, for the purpose of carrying into effect the provisions of this title with respect to plants (1) to furnish available information of the Department of Agriculture, (2) to conduct through the appropriate bureau or division of the Department research upon special problems, or (3) to detail to the Commissioner officers and employees of the Department.

35 U.S.C. § 164.

[3] The 1970 Plant Variety Protection Act is currently found at 7 U.S.C. § 2321, et seq. Due to the number of PVPA provisions, the Court will not, as it did with the PPA, set forth each provision of the PVPA here.

2. The legislative histories

The defendants begin by pointing to Senate Report No. 91-1246, Committee on the Judiciary, September 29, 1970, Plant Variety Protection Act of 1970, page 2, which states:

> This bill as amended provides for the issuance of "certificates of plant variety protection" assuring the developers of novel varieties of sexually reproduced plants of exclusive rights to sell, reproduce import, or export such varieties, or use them in the production (as distinguished from the development) of hybrids or different varieties for a period of 17 years. A Plant Variety Protection Office would be established in the Department of Agriculture to administer the law. Similar protection is now provided for sexually [sic: asexually] reproduced varieties patents issued by the Patent Office. Until the 1930 Townsend-Purnell Plant Patent Act (PPA).

The defendants assert that this report made clear that the general patent law did not provide any protection for sexually reproduced plants and that is why enactment of the PVPA was necessary.

The defendants next point to pages 2 and 3 of Report 91-1246, which states:

> During the hearings by this committee's Subcommittee on Patents, Trademarks, and Copyrights on the legislation providing for a general revision of the patent laws, consideration was given to an amendment of the plant patent section of the patent law. Under the patent law, patent protection is limited to those varieties of plants which reproduce sexually, that is by such

methods as grafting and budding. *No protection is available to those varieties of plants which reproduce sexually, that is, generally, by seeds.* Thus, patent protection is not available with respect to new varieties of most of the economically important agricultural crops, such as cotton or soybeans. The Patent Subcommittee conducted hearings on February 1, 1968, on an amendment to broaden the scope of plant patent protection so as to apply to sexually reproduced plants. A number of objections to this proposal were advanced during the hearins, (sic) and no further action in that area has been taken by the subcommittee.

Subsequently, legislation was introduced to encourage the development of novel varieties of sexually reproduced plants by the instance of certificates of plant variety protection by the Department of Agriculture. S. 3070, to establish such protection, was reported by the Committee on Agriculture and Forestry, and on August 24 this legislation was referred to this committee for the purpose of reviewing its impact on the plant patent statute. *The committee accordingly has examined S. 3070 and finds that it does not alter the protection currently available within the patent system.* The recommends the bill, S. 3070, favorably as amended.

(Emphasis supplied.) The underlined sentence, "No protection. . . . " certainly is hard to construe as saying anything but before we pass this act there has been and is no protection for seed corn. However, it is the Court's understanding that prior to the PVP Act, the Patent Office was issuing patents for plants which reproduce sexually. The confusion is then increased by the second underlined

sentence, "The committee. . . . " The two underlined sentences cannot easily be reconciled. The defendants assert that the above is supportive of their position that prior to 1970 sexually reproducing plants were not patentable subject matter and that Congress found it inadvisable to extend § 101 to include sexually reproducing plants; instead, Congress sought to provide protection under the PVPA.

Finally, the defendants point to 91-1605 (P.L. 91-577, Plant Variety Protection Act), 1970 United States Code Congressional and Administrative News 5082, 1970 WL 5934 (Leg. Hist.), which provides:

PURPOSE

THIS BILL PROVIDES FOR THE ISSUANCE OF 'CERTIFICATES OF PLANT VARIETY PROTECTION' ASSURING THE DEVELOPERS OF NOVEL VARIETIES OF SEXUALLY REPRODUCED PLANTS OF EXCLUSIVE RIGHTS TO SELL, REPRODUCE, IMPORT, OR EXPORT SUCH VARIETIES, OR USE THEM IN THE PRODUCTION (AS DISTINGUISHED FROM THE DEVELOPMENT) OF HYBRIDS OR DIFFERENT VARIETIES, FOR A PERIOD OF 17 YEARS. A PLANT VARIETY PROTECTION OFFICE WOULD BE ESTABLISHED IN THE DEPARTMENT OF AGRICULTURE TO ADMINISTER THE LAW. SIMILAR PROTECTION IS NOW PROVIDED FOR ASEXUALLY REPRODUCED VARIETIES THROUGH PATENTS ISSUED BY THE PATENT OFFICE.

UNDER PATENT LAW, PROTECTION IS PRESENTLY LIMITED TO THOSE VARIETIES OF PLANTS WHICH REPRODUCE ASEXUALLY, THAT IS, BY SUCH METHODS AS GRAFTING OR BUDDING. NO PROTECTION IS AVAILABLE TO THOSE VARIETIES OF PLANTS WHICH REPRODUCE SEXUALLY, THAT IS, GENERALLY BY SEEDS. THUS, PATENT PROTECTION IS NOT

AVAILABLE WITH RESPECT TO NEW VARIETIES OF MOST OF THE ECONOMICALLY IMPORTANT AGRICULTURAL CROPS, SUCH AS COTTON OR SOYBEANS.

(Emphasis supplied.) The underlined again makes it hard to read about the purpose of the Act without drawing the conclusion that the drafters believed there was no protection for plants which reproduce sexually, that is, by seeds. The defendants of course contend that the above portions of the PVPA legislative history makes it clear that there was no patent-like statutory protection for sexually reproducing plants.

The Court has reviewed the legislative histories of the plant-specific Acts, including those above, and finds that there is nothing in those legislative histories from which one could conclude that Congress intended to remove from the already in place protection of § 101 any subject matter already within the scope of that section. Rather, as mentioned, the Senate Committee on the Judiciary stated in their report, as set forth above, that the Plant Variety Protection Act "does not alter protection currently available within the patent system." Sen. Rep. No. 91-246 at 3. This Court, therefore, finds that defendants' analysis of the legislative history of the PPA and PVPA, while persuasive, is not enough for the Court to find conclusively that they are entitled to a summary judgment.

This Court instead, relies on the Supreme Court's analysis in *Chakrabarty* of the legislative history and purpose of the PPA and PVPA in reaching its decision. The Supreme Court in *Chkrabarty* [sic] noted that prior to 1930 there were two obstacles to obtaining patent protection. First, was the belief that plants, even those artificially

bred, were products of nature and thus not proper subjects of patent law. *Chakrabarty*, 447 U.S. at 309. Second, it was thought that plants were not amenable to the "written description" requirement of the patent law. *Id.* The Supreme Court noted that Congress addressed both of these obstacles in enacting the PPA *Id.* at 312. The Supreme Court determined that Congress explained at length its belief that the work of the plant breeder "in the aid of nature" was a patentable invention, and it relaxed the written description requirement in favor of "a description as complete as is reasonably possible." 35 U.S.C. § 162; *Chakrabarty*, 447 U.S. at 311-12. The Supreme Court's analysis makes it clear that the legislative intent of these acts was to extend patent protection to plant breeders who were prevented from obtaining protection by the two noted obstacles. *See id.* at 312.

This Court finds no explicit support in the legislative history for the premise, advanced by the defendants, of an intent to restrict or limit the scope of patentable subject matter available pursuant to 35 U.S.C. § 101. Congress's intention in adopting the PPA and PVPA was to extend patent protection to an area not often able to meet the requirements of 35 U.S.C. § 112, given the then limits of plant science. History demonstrates, however, that in those instances where inventors showed they could define a reproducible plant meeting the limits of § 112, plant patents were issued under § 101. An early example of this is the Boehm patent, U.S. Patent 2,0[illegible]8,056 (1936) (Plaintiff's Exhibit D). Today, the requirements of § 112 can be met through a written description combined with a deposit of the invention as required for some microorganisms. Manual of Patent Examining Procedure

§ 2403.02 (6th ed. 1997). In passing the PVPA and PPA, Congress maintained the broad language of § 101 in order to recognize, reward, and encourage developments in plant breeding that were capable of someday meeting the enablement requirements. *See Chakrabarty*, 447 U.S. at 312-315.

3. An implicit narrowing of 35 U.S.C. § 101

The defendants here argue that there has been an implicit repeal of a portion of 35 U.S.C. 101 because of an irreconcilable conflict between the General Patent Act and the Plant Variety Protection Act. The defendants assert that the [sic] there exists an "irreconcilable conflict" between the PVPA and § 101 which prevents that [sic] two statutes from co-existing. The defendants point to the following provisions of the PVPA which differ from section 101 to show the irreconcilable conflict:

(1) The PVPA contains both research and farmer's crop exemptions (§§ 2543-44), while section 101 does not explicitly contain such exemptions;

(2) The PVPA spells out infringement in great detail and includes a compulsory licensing provision (§ 2541), while no such provision exists under § 101;

(3) The PVPA does not permit a manufacturer to place a limited label license on seed bags or label stating a prohibition against using the seed to multiply or reproduce the variety (§§ 2567-68), where § 101 would permit such a practices [sic].

The Court is persuaded, however, that such differences fall short of what could be required to find an irreconcilable conflict that would mandate a partial repeal of § 101 by implication.

The "cardinal rule" of repeal by implication was set forth by the Supreme Court in *United States v. Borden Co.*, as follows:

> It is a cardinal principle of construction that repeals by implication are not favored. When there are two acts upon the same subject, the rule is to give effect to both if possible. The intention of the legislature to repeal 'must be clear and manifest.' It is not sufficient as was said by Mr. Justice Story in *Wood v. United States*, 16 Pet. 342, 362, 363, 10 L.Ed. 987, 'to establish that subsequent laws cover some or even all of the cases provided for by (the prior act); for they may be merely affirmative, or cumulative, or auxiliary.' There must be 'a positive repugnancy between the provisions of the new law and those of the old; and even then the old law is repealed by implication only, pro tanto, to the extent of the repugnancy.'

308 U.S. 189, 198-199 (1939) (citations omitted). *See also United States v. Davis*, 978 F.2d 415 (8th Cir. 1992) (quoting *Borden*, 308 U.S. at 199); *Ark. State Bank Comm. v. Resolution Trust Corporation*, 911 F.2d 161, 171 (8th Cir. 1990) (same). In absence of such irreconcilable conflict that the statutes cannot co-exist, it is the Court's duty to regard each as effective. *Morton v. Mancari*, 417 U.S. 535, 551 (1973) (holding "courts are not at liberty to pick and choose among congressional enactments, and when two statutes are capable of coexistence, it is the duty of the

courts, absent clearly expressed congressional intention to the contrary, to regard each as effective."). "Simply because a later enacted statute affects in some way an earlier enacted statute is poor reason to ask [a court] . . . to rewrite the earlier statute" *Roche Products, Inc. v. Bolar Pharmaceutical Co.*, 733 F.2d 858, 862 (Fed. Cir. 1984).

The analysis by the defendants in their motion for summary judgment as to the differences between the PVPA and the General Patent Act fall far short of what would be required to find an irreconcilable conflict or positive repugnancy for two reasons. First, the analysis of the defendants merely serves to indicate that there are differences in the scope of protection offered by § 101 and the PVPA. The differences laid out above demonstrate that the scope of § 101 is much broader than the scope of protection under the PVPA. Thus, there are good reasons, as pointed out by the defendants above, why any applicant may choose § 101 over the PVPA.

Second, the defendants' analysis ignores the important differences between the legal standards that must be satisfied to receive a utility patent and the standard that must be satisfied to obtain a certificate under the PVPA. Section 101, unlike the PVPA, requires that an invention be novel and non-obvious. *See* 35 U.S.C. § 103. The use of "non-obviousness" as a second threshold is what makes the process of obtaining a utility patent under § 101 more difficult. In addition, in return for a utility patent, the inventor must provide sufficient information on the invention "to enable a person skilled in the art . . . to make or use the same." 35 U.S.C. § 112. This requirement can be routinely satisfied by depositing a sample in an

approved repository with unrestricted access. M.P.E.P. 2403.02 (6th ed. 1997). While a deposit of a seed in a public repository is required under the PVPA, there is no enablement requirement under 101 et seq. *See* 7 U.S.C. § 2422. Such a seed deposit does not provide the public with the ability to reproduce the invention because the identity of the parents may be kept a trade secret. There is no secrecy under § 101. When an inventor is willing to make and use has over her invention, then he or she is entitled to the full protection available to subject matter patentable under § 101. Logically, therefore, loss protection should be available when the utility patent "contract" is not completely fulfilled.

The defendants assert that the fact that subject matter patentable under § 101 overlaps with subject matter protectable under the PVPA provides a basis for the Court to conclude there is irreconcilable conflict between the statutes. However, there is ample precedent that the availability of one form of statutory protection does not preclude the availability of protection under another form. *See Kewanee Oil Co. v. Bicron Corp.*, 416 U.S. 470, 485-87 (1974) (holding that trade secret and patent protection can "peacefully coexist"); *Mazer v. Stein*, 397 U.S 201, 217 (1954) (concluding that patentability of a manufactured article does not bar copyright as a work of art); *Pioneer Hi-Bred Int'l v. Holden Foundation Seeds*, 35 F.3d 1226 (8th Cir. 1994) (recognizing that the PVPA did not preempt Iowa state trade secret law as applied to sexually reproducing plants); *In re Yardley*, 493 F.2d 1389 (C.C.P.A. 1974) (holding that protection under the copyright statute and the design patent statutes may simultaneously coexist.

The fact that subject matter patentable under § 101 may overlap with subject matter protectable under the PVP [sic] does not provide a basis for concluding that there is irreconcilable conflict.

The Court is well aware that defendants in this case have vilified the case of *Ex Parte Hibberd, et al.*, 227 U.S.P.Q. 443. It is certainly true that it is not a court decision and that some of the things concluded therein are very controversial. However, the decision does make some pertinent statements in relation to whether or not there is an implicit repeal of a portion of Section 101 because of an irreconcilable conflict between the General Patent Act and the Plant Variety Protection Act.

For example, the *Hibberd* Court stated:

> The examiner's contention that Section 101 has been "implicitly narrowed or partially repealed by implication" is not persuasive. The overwhelming weight of authority is to the effect that repeals by implication are not favored and that when they are two acts on the same subject, the rule is to give effect to both unless there is such a "positive repugnancy" or "irreconciliable conflict" that the statutes cannot co-exist *United States v. Borden Co.*, 308 U.S 188, 198 (1939).
>
> When there are two acts upon the same subject, the rule is to give effect to both if possible. . . . The intention of the legislature to repeal must be clear and manifest.
>
> Thus, "courts are not at liberty to pick and choose among congressional enactments and when two statutes are capable of coexistence, it is the duty of the courts absence a clear, express

> congressional intention to the contrary, to regard each as effective.

Ex Parte Hibberd, 227 U.S.P.Q. 443, 446 (P.T.O. Bd. of Pat. & Int. 1985). In further discussing the matter, the *Hibberd* Court said:

> In our view such differences fall far short of what could be required to find an irreconcilable conflict or positive repugnancy that would mandate a partial repeal of Section 101 by implication.

Id.

In the *Application of Malcolm E. Bergy*, 596 F.2d 952, 974 (U.S. Court of Customs, 1979), the Court said:

> We believe Section 101 and its predecessor statutes were broadly drawn in general terms to broadly encompass unforeseeable future developments, as broadly we suggest, as Section 2 of the Sherman Act, 15 U.S.C. § 2. We have been shown no justification for the Bergy board's view that Section 101 must be strictly construed.

Furthermore, in *Chakrabarty*, the Supreme Court stated:

> We have also cautioned that courts "should not read into patent law as limitations and conditions which the legislature has not expressed." . . . The choice we are urged to make as a matter of his policy for resolution within the legislative process after the kind of investigation, examination and study that legislative bodies can provide and courts cannot. That process involves the balancing of competing values and interests, which in our democratic system is the business

> of elected representatives. Whatever their validity, the contentions now pressed on us should be addressed to the political branches of the government, the Congress and the Executive, and not to the courts. . . . Congress is free to amend Section 101 so as to exclude from patent protection organisms produced by genetic engineering, exempting from patent protection inventions, useful solely in the utilization of special nuclear material or atomic energy and atomic weapon." Or it may choose to craft the statute specifically designed for such living things, but until Congress takes such action, this Court must construe the language of Section 101 as it is. The language of that section fairly embraces respondent's invention.

Chakrabarty, 447 U.S. at *317-18*.

For at least the last fifteen years, the law has recognized plant variety patents as statutory subject matter. If in fact *Ex Parte Hibberd* was contrary to the views of Congress, they have had ample time since 1985 to correct this practice.

In the case of *Blue Chip Stance v. Manor Drug Stores*, 421 U.S 723, 733 (1975), the Court discusses a situation where there has been a longstanding acceptance of a reasonable statutory interpretation and concludes that since Congress has failed to reject that longstanding acceptance, the end result is that it is fair to conclude that Congress has no problem with the judicial reading. It has been pointed out to the court that the patent statutes and the Plant Variety Protection Act have been amended at least eighteen times since 1980 alone, but Congress has not amended nor crafted any specific statute limiting the

interpretation that in light of *Chakrabarty*, Section 101 extends utility patent protection to sexually reproduced plants.

The best argument that this Court has found for the proposition that the Plant Variety Protection Act is the sole avenue for the protection of seed corn is in the dissent in *Chakrabarty* where Justice Brennan, after carefully discussing the matter, came to the conclusion:

> The only question we need to decide is whether Congress, exercising its authority under Article I, Section 8, of the Constitution, intended that he be able to secure a monopoly on living organisms himself, no matter how produced or how used.

In discussing this, after recognizing all the arguments put forth by the majority, on pages 320 and 321 Justice Brennan stated:

> First, the Act evidences Congress' understanding, at least since 1930, that Section 101 does not include living organisms. If newly developed living organisms not naturally occurring had been patentable under 101, the plants included in the scope of the 1930 and 1970 acts could have been patented without new legislation . . . Although the Court rejects this line of argument, it does not explain why the Acts were necessary unless to correct a pre-existing situation. I cannot share the Court's implicit assumption that Congress was engaged in either idle exercise or mere correction of the public record when it enacted the 1930 and 1970 Acts and Congress certainly thought it was doing something significant. The committee reports contain

expansive prose about the previously unavailable benefits to be derived from extending patent protection to plants . . . Because Congress though it had to legislate in order to make agricultural "human-made inventions" patentable and because the legislation Congress enacted is limited, it follows that Congress never meant to make items outside the scope of the legislation patentable . . . In footnote 5 he stated if a new act was needed to provide patent protection for the plants, it was equally necessary for bacteria. Yet Congress provided for patents on plants, but not on these bacteria. In short, Congress decided to make only a subset of animate "human-made inventions" patentable . . . The Senate Judiciary Committee report on the 1970 Act states that the Committee's understanding that patent protection extended no further than the explicit provisions of these acts: "Under the patent law, patent protection is limited to those varieties of plants which reproduce asexually, that is, by such method as grafting or budding. No protection is available to those varieties of plants which reproduce sexually, that is, generally by seeds."

As you can see, Justice Brennan gets right to the problem and concludes that prior to the Plant Variety Protection Act, there had been no protection for plants produced from seed.

As mentioned, this Court is persuaded that Justice Brennan has the best argument for finding that the Plant Variety Protection Act is the sole and exclusive method of protecting seed corn. However, his is a dissent; it is not the law of the land, and for all of the reasons set forth previous to this discussion of Justice Brennan's dissent,

this Court is persuaded that it must find that the Plant Variety Protection Act is not the sole and exclusive method of protecting seed corn. It boils down to the fact that it is Congress' job to answer this question. At no place in any of the statutes does it say that seed corn plants cannot be given a patent. At no place in the statutes does it say that you cannot have both patent and PVPA protection. At no place in the law does it say that you have to make an election of one or the other, section 101 or the P.V.P.A.

IV. CONCLUSION

For all of the reasons set out above, the defendants' motion for summary judgment is hereby denied.

August 19, 1998.

/s/ Donald E. O'Brien
Donald E. O'Brien,
Senior Judge
UNITED STATES
DISTRICT COURT

United States Court of Appeals for the Federal Circuit

99-1035

PIONEER HI-BRED INTERNATIONAL, INC.,

Plaintiff-Appellee,

v.

J.E.M. AG SUPPLY, INC.
(doing business as Farm Advantage, Inc.),
FARM ADVANTAGE, INC., LARRY BENZ,
MERLE PRUETT
(doing business as Siouxland Seeds, Inc.),
KEVIN WOLFSWINKEL, TIM KAMSTRA,
and TOM EISCHEN SEED AND CHEMICALS,

Defendants-Appellants.

ORDER

United States Court of Appeals for the Federal Circuit

ORDER

(Filed Mar. 13, 2000)

A petition for rehearing en banc having been filed by the APPELLANTS, and a response thereto having been invited by the court and filed by the APPELLEE, and the matter having first been referred as a petition for rehearing to the panel that heard the appeal, and thereafter the petition for rehearing en banc and response having been referred to the circuit judges who are in regular active service,

UPON CONSIDERATION THEREOF, it is

ORDERED that the petition for rehearing be, and the same hereby is, DENIED and it is further

ORDERED that the petition for rehearing en banc be, and the same hereby is, DENIED.

The mandate of the court will issue on March 20, 2000.

FOR THE COURT,

/s/ Jan Horbaly
Jan Horbaly
Clerk

Dated: March 13, 2000

cc: Bruce E. Johnson
Edmund J. Sease

Warren D. Woessner

PIONEER HI-BRED V JEM AG SUPPLY, 99-1035
(DCT – 98-CV-4016)

46 Stat. 376

1930 PLANT PATENT ACT

SEVENTY-FIRST CONGRESS. SESS. II. CH. 312. 1930.

CHAP. 312. – An Act To provide for plant patents.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That sections 4884 and 4886 of the Revised Statutes, as amended (U. S. C., title 35, secs. 40 and 81), are amended to read as follows:

"SEC. 4884. Every patent shall contain a short title or description of the invention or discovery, correctly indicating its nature and design, and a grant to the patentee, his heirs or assigns, for the term of seventeen years, of the exclusive right to make, use, and vend the invention or discovery (including in the case of a plant patent the exclusive right to asexually reproduce the plant) throughout the United States and the Territories thereof, referring to the specification for the particulars thereof. A copy of the specification and drawings shall be annexed to the patent and be a part thereof.

"SEC. 4886. Any person who has invented or discovered any new and useful art, machine, manufacture, or composition of matter, or any new and useful improvements thereof, or who has invented or discovered and asexually reproduced any distinct and new variety of plant, other than a tuber-propagated plant, not known or used by others in this country, before his invention or discovery thereof, and not patented or described in any printed publication in this or any foreign country, before his invention or discovery thereof, or more than two

years prior to his application, and not in public use or on sale in this country for more than two years prior to his application, unless the same is proved to have been abandoned, may, upon payment of the fees required by law, and other due proceeding had, obtain a patent therefor."

SEC. 2. Section 4888 of the Revised Statutes, as amended (U. S. C., title 35, sec. 33), is amended by adding at the end thereof the following sentence: "No plant patent shall be declared invalid on the ground of noncompliance with this section if the description is made as complete as is reasonably possible."

* * *

Approved, May 23, 1930.

1952 PATENT ACT

35 U.S.C. § 101

101. Inventions patentable

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

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35 U.S.C. § 161

161. Patents for plants

Whoever invents or discovers and asexually reproduces any distinct and new variety of plant, including cultivated sports, mutants, hybrids, and newly found seedlings, other than a tuberpropagated plant or a plant found in an uncultivated state, may obtain a patent therefor, subject to the conditions and requirements of this title.

The provisions of this title relating to patents for inventions shall apply to patents for plants, except as otherwise provided.

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35 U.S.C. § 163

163. Grant

In the case of a plant patent the grant shall be of the right to exclude others from asexually reproducing the plant or selling or using the plant so reproduced.

PLANT VARIETY PROTECTION ACT OF 1970

7 U.S.C. § 2402

2402. Right to plant variety protection; plant varieties protectable

(a) In general

The breeder of any sexually reproduced or tuber propagated plant variety (other than fungi or bacteria) who has so reproduced the variety, or the successor in interest of the breeder, shall be entitled to plant variety protection for the variety, subject to the conditions and requirements of this chapter, if the variety is –

(1) new . . .

* * *

(2) distinct, in the sense that the variety is clearly distinguishable from any other variety the existence of which is publicly known or a matter of common knowledge at the time of the filing of the application;

(3) uniform, in the sense that any variations are describable, predictable, and commercially acceptable; and

(4) stable, in the sense that the variety, when reproduced, will remain unchanged with regard to the essential and distinctive characteristics of the variety with a reasonable degree of reliability commensurate with that of varieties of the same category in which the same breeding method is employed.

* * *

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7 U.S.C. § 2541

2541. Infringement of plant variety protection

(a) Acts constituting infringement

Except as otherwise provided in this subchapter, it shall be an infringement of the rights of the owner of a protected variety to perform without authority, any of the following acts in the United States, or in commerce which can be regulated by Congress or affecting such commerce, prior to expiration of the right to plant variety protection but after either the issue of the certificate or the distribution of a protected plant variety with the notice under section 2567 of this title:

(1) sell or market the protected variety, or offer it or expose it for sale, deliver it, ship it, consign it, exchange it, or solicit an offer to buy it, or any other transfer of title or possession of it;

(2) import the variety into, or export it from, the United States;

(3) sexually multiply, or propagate by a tuber or a part of a tuber, the variety as a step in marketing (for growing purposes) the variety;

(4) use the variety in producing (as distinguished from developing) a hybrid or different variety therefrom;

(5) used seed which had been marked "Unauthorized Propagation Prohibited" or "Unauthorized Seed Multiplication Prohibited" or progeny thereof to propagate the variety;

(6) dispense the variety to another, in a form which can be propagated, without notice

as to being a protected variety under which it was received;

(7) condition the variety for the purpose of propagation, except to the extent that the conditioning is related to the activities permitted under section 2543 of this title;

(8) stock the variety for any of the purposes referred to in paragraphs (1) through (7);

(9) perform any of the foregoing acts even in instances in which the variety is multiplied other than sexually, except in pursuance of a valid United States plant patent; or

(10) instigate or actively induce performance of any of the foregoing acts.

* * *

(d) Acts not considered infringing

It shall not be an infringement of the rights of the owner of a variety to perform any act concerning propagating material of any kind, or harvested material, including entire plants and parts of plants, of a protected variety that is sold or otherwise marketed with the consent of the owner in the United States, unless the act involves further propagation of the variety or involves an export of material of the variety, that enables the propagation of the variety, into a country that does not protect varieties of the plant genus or species to which the variety belongs, unless the exported material is for final consumption purposes.

* * *

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7 U.S.C. § 2543

2543. Right to save seed; crop exemption

Except to the extent that such action may constitute an infringement under subsection (3) and (4) of section 2541 of this title, it shall not infringe any right hereunder for a person to save seed produced by the person from seed obtained, or descended from seed obtained, by authority of the owner of the variety for seeding purposes and use such saved seed in the production of a crop for use on the farm of the person, or for sale as provided in this section. A bona fide sale for other than reproductive purposes, made in channels usual for such other purposes, of seed produced on a farm either from seed obtained by authority of the owner for seeding purposes or from seed produced by descent on such farm from seed obtained by authority of the owner for seeding purposes shall not constitute an infringement. A purchaser who diverts seed from such channels to seeding purposes shall be deemed to have notice under section 2567 of this title that the actions of the purchaser constitute an infringement.

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7 U.S.C. § 2544

2544. Research exemption

The use and reproduction of a protected variety for plant breeding or other bona fide research shall not constitute an infringement of the protection provided under this chapter.

PL 105-289 (HR 1197)
October 27, 1998
PLANT PATENT AMENDMENTS ACT OF 1998

An Act to amend title 35, United States Code, to protect patent owners against the unauthorized sale of plant parts taken from plants illegally reproduced, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE

This Act may be cited as the "Plant Patent Amendments Act of 1998."

SEC. 2. FINDINGS AND PURPOSES.

* * *

(b) PURPOSES. – The purposes of this Act are –

(1) to clearly and explicitly provide that title 35, United States Code, protects the owner of a plant patent against the unauthorized sale of plant parts taken from plants illegally reproduced.

(2) to make the protections provided under such title more consistent with those provided breeders of sexually reproduced plants under the Plant Variety Protection Act (7 U.S.C. 2321 et seq.), as amended by the Plant Variety Protection Act Amendments of 1994 (Public Law 103-349); and

* * *

SEC. 3. AMENDMENT TO TITLE 35, UNITED STATES CODE.

(a) RIGHTS IN PLANT PATENTS. – Section 163 of title 35, United States Code, is amended to read as follows:

"§ 163. Grant

"In the case of a plant patent, the grant shall include the right to exclude others from asexually reproducing the plant, and from using, offering for sale, or selling the plant so reproduced, or any of its parts, throughout the United States, or from importing the plant so reproduced, or any parts thereof, into the United States."